

Egypt Obtains Halt To U.S. Arms Curbs

By Oswald Johnston

WASHINGTON, Feb. 26 (LAT) — The United States will sell Egypt 250 M-60 tanks and 40 advanced F-16 fighters and has agreed in principle to sell F-15 fighters later as part of a program of aid to the Cairo government, the State Department said yesterday.

An announcement formalized the emerging U.S. role as Egypt's chief military supplier after the Camp David agreements and the Egypt-Israel peace treaty of last March. Egypt gets what it has long desired — the access to advanced U.S. weaponry that Israel enjoys.

The sales package is to be financed almost entirely through \$1.35 billion in military sales credits proposed for Egypt for the current fiscal year and fiscal 1981. It was negotiated in Cairo last week by a Pentagon team headed by Assistant Secretary of Defense David McGiffert.

The package "meets the needs of a friend committed to the peace process" in the Middle East, and which has major defense needs, State Department spokesman Hodding Carter 3d said.

'Postpone Action'

The Egyptians, he said, were told that the administration is ready to consider sale of the F-15 jet fighter, which is emerging as the backbone of Israeli air force planning for the current decade. He added, however, that the Egyptians "decided to postpone action on that offer" in order to spend the limited funds available to them on other, less costly weapons more immediately available.

For this reason the Israelis, who

are expected to raise pro forma objections to the supplying of advanced weapons to Egypt, are not likely to press the case too hard. The 40 F-16s, as a practical matter, will not be in Egypt's arsenal until after 1982, by which time Israel should have a good proportion of the 75 F-16s it now has on order.

Israel has received 25 F-15s out of a total order of 40. Egypt's decision to postpone buying that plane, the most advanced now flying, leaves the balance of power in favor of Israel's air force for years to come.

Catching Up

Officials denied that Egypt had been pressed by the McGiffert mission to decide against the F-15 for the time being. But informed sources said that the White House virtually guaranteed such a decision a few weeks ago when it vetoed a State Department plan to extend to Egypt a guarantee of \$800 million a year in military credits through 1986.

Instead of the vetoed plan, Egyptian defense planners were told that they could count on no more than \$800 million in fiscal 1982 as a "planning figure." Israel recently has received \$1 billion a year in military sales credits from Washington. Fifty percent of this debt is routinely forgiven.

Yesterday's announcement confirmed reports last week that Mr. McGiffert had offered Egypt the access to U.S. tanks and fighter aircraft that Israel has enjoyed for more than a decade.

Gen. Kamal Hassan Ali, the Egyptian defense minister, told the Cairo newspaper Al-Ahram Thursday that the U.S. agreement to supply F-16 and F-15 aircraft and M-60 tanks "will put Egypt on exactly equal footing with Israel as far as armament is concerned."

Access to U.S. weapons technology had been held out by President Anwar Sadat as one of the tangible advantages of the Camp David agreements, and the subsequent treaty with Israel. Gen. Ali's claim, uncontradicted by Washington, should give Mr. Sadat a political boost.

Saudi Arabia's refusal to pay Egypt's arms bill, as it did between the 1973 war and the Egypt-Israel treaty, had put in limbo an Egyptian purchase of 50 F-5E aircraft from the United States, but now Mr. Sadat can say he is receiving aircraft considerably more advanced than the F-5.



Jim O'Flynn (right), Rhodesian police superintendent, meets on Tuesday with Albert Takwira, a guerrilla officer, at a cease-fire assembly camp. They were discussing the possible stationing of white police officers at the site, where 2,700 guerrillas are staying, to help to maintain the truce.

Damage Would Be Phenomenal

London Anxious About Floods

By William Tuohy

LONDON, Feb. 26 (LAT) — Huge signs have gone up in London's public places, harking back to others that warned of possible nuclear attacks or bombings during World War II.

The message: "Warning to those in FLOOD RISK AREA. Streets will begin flooding about an hour before London is flooded. Don't travel. Go upstairs and stay put."

London is indeed in danger of being flooded. The flood risk area covers 45 square miles and about a quarter of a million dwellings in the heart of the city, on both sides of the Thames River.

The risk of flood bears with it, according to the Greater London Council Public Safety Committee, "all the ingredients of the worst disaster to hit London since the Black Death," the plague that ravaged Europe between 1347 and 1351.

As many as 50 underground

transportation stations and 35 hospitals would be affected by a serious flood, Mr. Bolton said, adding:

"One and a quarter million people would be overwhelmed, the tubes (underground) would be out of action for nine months, telecommunications would break down, business would come to a standstill. The estimated value of assets that would be flooded is \$8 billion."

The chief river engineer, Ray Horner, explained that low-pressure areas form off the coast of North America, where the cold Labrador currents meet the warm Gulf Stream. Once formed, a low-pressure area moves eastward across the Atlantic, pushing a huge surge of water before it.

"When the surge crosses the North Sea," Mr. Horner said, "northerly winds can blow it south toward the English Channel. Meanwhile, the polar ice cap has been melting, increasing the level of the sea, and the southeastern part of England has been slipping into the North Sea. London itself has been sinking into its clay foundation."

"So when that surge of water moves south, it reaches a bottleneck at the English Channel — which is too narrow for it. The water instead runs up the Thames estuary — and if the river is already high with winter rains, you have the conditions for massive flooding."

This "flood surge" is not a new threat to London, which lies 60 miles upriver from the sea, but it has been increasing, because the river rises slightly every year, even under normal conditions.

In 1099 Anglo-Saxon chroniclers noted: "On the festival of St. Martin, the sea sprung up to such a height and did so much harm as no man remembers that it ever did before."

In 1236 the Thames overflowed, and Stow's History of England recounted: "The marshes about Woolwich [were] all a sea and in the great Palace of Westminster, men did row with wherries [dinghies] in the midst of the hall."

More recently, in 1928, an atmospheric depression moved southward into the North Sea, pushing a surge of water into the Thames estuary.

Carter Would Guarantee Afghanistan's Neutrality

(Continued from Page 1)

without respect for the independence and territorial integrity of all countries.

The official said the Carter letter pointed out that "these principles are threatened by the Soviet invasion of Afghanistan" and "he also notes that this invasion poses a potential threat to the United States and its allies."

Shiites Reported Held

NEW DELHI, Feb. 26 (AP) — The authorities swept through Kabul today, arresting large numbers

of Shiite Muslims suspected of instigating anti-Soviet disturbances that left hundreds dead, a report from the Afghan capital said.

The report, coming from reliable Afghan sources, said large numbers of Shiite Hazara tribesmen had been taken into custody during several sweeps through the city, but could not say how many arrests were made.

The Hazaras, a Mongoloid people from the central Afghan province of Bamian, traditionally have faced social and religious discrimination at the hands of the dominant Sunni Moslem Pashto or Pathan tribes. Shiites comprise 10 to 20 percent of Afghanistan's estimated 16 million persons.

But the Shiites form an overwhelming majority in neighboring Iran and Ayatollah Ruhollah Khomeini said this month that Iranians should "export our revolution to other parts of the world and save the oppressed people of the world."

A Pakistani news agency today quoted Afghan rebels as saying they killed more than 500 government soldiers yesterday and suffered 50 dead in fighting in Paktia Province, in the eastern part of the country near the Pakistan border. The rebels said the daylong fighting started when regular troops attacked the headquarters of the chief commander of the rebel forces in the area. The attack was repulsed, they said.

Meanwhile, a Radio Kabul broadcast monitored in New Delhi appealed to merchants in the capital to end their crippling general strike, launched to protest the Soviet occupation that began in late December. The beleaguered government promised the shopkeepers protection if they reopened.

British Begin Effort in Rhodesia To Train Guerrillas for Military

By John F. Burns

SALISBURY, Feb. 26 (NYT) — In a move to lessen the threat of a new war after the black majority election that begins here tomorrow, British officials took a first step yesterday toward unifying the white-led Rhodesian Army and the black guerrilla forces of the Patriotic Front.

After protracted negotiations in Salisbury, about 610 men of Joshua Nkomo's guerrilla army were moved aboard Rhodesian Army trucks from a cease-fire assembly place in the bush to a Rhodesian military base outside the provincial city of Bulawayo.

There, the Nkomo fighters are to be retrained for conventional warfare under the supervision of 30 British soldiers from the Commonwealth force that is in Rhodesia to monitor the cease-fire. The guerrillas were separated from Rhodesian troops at the base by barbed-wire fencing, but British officials said that the bulk of the training would be done by Rhodesians.

The contingent represented about 10 percent of the guerrillas that Mr. Nkomo has gathered at the cease-fire points. British officials hope that all Nkomo fighters who have expressed interest in careers as soldiers eventually will move into Rhodesian camps for retraining and integration into a single national army.

A major problem with the initiative is that, so far, it has not extended to the much larger guerrilla force loyal to Robert Mugabe, the nationalist leader who fought the war in tandem with Mr. Nkomo. Although the two men fought for majority rule under the banner of the Patriotic Front, Mr. Mugabe broke the alliance shortly after the peace agreement in December and is contesting the election as a separate force. British officials said last night that discussions with the Mugabe force were continuing.

Mugabe Awaits Results

Mr. Mugabe, predicted to win the largest number of seats in the three-day election, is expected to delay a decision on military integration until the results of the voting are declared, probably next Tuesday, officials of his Zimbabwe African National Union-Patriotic Front are thought to be reluctant to commit themselves to a shared military force as long as there is a chance that they may gain enough of the 80 black seats to form a government on their own or with a politically compliant coalition partner.

As the election approaches, there is some anxiety that one of the forces engaged in the war will resort to arms again to contest an unfavorable election result. The anxiety has centered on the government army, which has the potential to mount a military coup to prevent the accession of Mr. Mugabe, who favors a radical transformation of Rhodesia's white-dominated society.

Another possibility troubling British officials is that Mr. Mugabe will reject an election result that excludes him from power and order the approximately 17,000 guerrillas under his command to quit the cease-fire points and resume the war. Senior British officials have flown secretly in recent days to Maputo, the capital of Mozambique, seeking assurance from the Mozambican president, Samora Machel, that he will not permit the Mugabe force to resume the struggle from its bases in that country.

Some advisers to Lord Soames, the British governor of Rhodesia, believe that the best election result would be one leaving Mr. Mugabe with fewer than 40 seats, opening the way for a moderate coalition administration comprised of Mr. Nkomo, Bishop Abel Muzorewa and other smaller black parties, and possibly the 20-seat white bloc as well.

But other British officials, citing a danger of Mr. Mugabe going back to war, would prefer the governor to seek a government of national unity that includes all of the black parties that are backed by armies.

The moves toward creating a unified army are also related to Commonwealth anxieties about the safety of the 1,300-man force monitoring the guerrillas at the 14 cease-fire camps. The 22,000 guerrillas at the camps vastly outnumber the small contingents of Commonwealth troops — in one case, there are 48 British soldiers and 6,000 Mugabe fighters — and the Commonwealth force commanders are concerned that their lightly armed men could be killed or taken hostage if the election result displaces the insurgents.

Against the preference of the British generals in Rhodesia, Lord Soames has decided that the Commonwealth force will remain at the camps after the election, withdrawing only when arrangements can be made that make a resumption of the war unlikely. To this end, senior British officers accompanied by guerrilla commanders toured all of the assembly places over the weekend, seeking agreement from local guerrilla commanders on arrange-

ments that will offer the Commonwealth troops a measure of protection.

The generals returned with agreement in principle for contingents of the Rhodesian Army and police to move into the camps.

Britain also has agreed to transform elements of the Commonwealth force into a training group to assist the Rhodesians in integrating guerrilla units into a single army. However, British officials have said privately that their efforts could be nullified if the election produces a result, notably a sweep by Mr. Mugabe or Bishop Muzorewa — that tempts the losers to contest the election result by force.

Sergeants' Regime Detains Surinam Officers in Camp

PARAMARIBO, Surinam, Feb. 26 (AP) — Unionized army sergeants who yesterday overthrew the government of Premier Henck Arron today ordered all policemen and army officers to turn in their weapons.

Policemen were being sent home after reporting and handing over their pistols. The army officers were confined to quarters in a guarded camp, officials sources reported.

Mr. Arron and 11 of his 15 Cabinet members overthrown in the coup were unaccounted for and believed in hiding. Two Cabinet members were under arrest. Two others were at home and said that they were free to move about. They said that they had no news of Mr. Arron or the other 11.

Official sources said that 15 persons died in the eight hours of fighting during the takeover.

In Washington, State Department spokesman Hodding Carter 3d called the situation confused and said that the United States had not decided whether to deal with the new military authorities. "We're concerned about violence and the threat of violence to elected officials," he said.

He said that three U.S. Air Force planes had landed in Surinam on a routine mapping mission, but he did not know the exact time or place. Noting that early reports had linked the landing to the uprising, he said that "those early reports were dropped, and our analysis is that the landings had no effect on the situation." He added, "It now appears that the military men were

revolting because of a dispute over labor issues."

The sergeants, who complained of poor pay and bad relations with the 100-man officer corps, were emboldened by Mr. Arron's refusal to bargain with their union, and by the threat of sentences scheduled for today that hung over three union leaders for leading the sergeants in a strike for several weeks. The government sought 10-month jail sentences on military charges.

This tropical river city was under dusk-to-dawn curfew, with most businesses closed and most streets quiet. Radio broadcasts were censored by the military, but newspaper articles were not. The 800-man army, commanded now by the non-commissioned officers, was in charge.

A communique signed by two leaders of the sergeants' union, B. E. Staal and L. Neede, promised respect for Surinam's democratic principles. Sgt. Staal and two other sergeants went on television to promise the appointment "as soon as possible" of a civilian junta. They did not say whether the junta would hold or reschedule elections due on March 27.

The television statement made a point of promising respect for human rights, for Surinam's treaties, and for "the interests of foreign investors."

Surinam became independent from the Netherlands in 1975, with Mr. Arron at the helm. Its chief export is bauxite. The largest bauxite mines are operated by subsidiaries of the Aluminum Company of America and Royal Dutch Shell.

El Salvador Junta Weighs Land Redistribution Plan

By Alan Riding

SAN SALVADOR, Feb. 26 (NYT) — Under attack from left and right, El Salvador's military-civilian junta is weighing whether it can promulgate a promised land redistribution program to weaken the power of large landowners without being torn apart by the process.

Already beset by conservative sectors opposed to this and other projected changes, the five-member junta is nevertheless under mounting pressure to order the expropriation of large private estates for distribution to landless peasants.

The United States, which has so far dissuaded conservative army officers and business groups from overthrowing the seven-week-old government, has said that it will provide El Salvador with nearly \$50 million in economic aid for road construction and social programs and \$5 million in military assistance and equipment, but only if the land reform program is carried out.

Foreign diplomats here believe that the intensity of the latest rightist offensive against the regime reflects conservative fears that the projected changes are about to be decreed.

The junta, which is made up of two colonels, two Christian Democrats and one independent, has for several days been studying a draft of a land-redistribution decree, but it has been unable to agree on the maximum size of private land holdings that should be permitted.

There are, nevertheless, fears that as soon as the land redistribution is decreed many private estates will immediately be occupied by militant peasant groups, some of which are apparently controlled by leftist guerrillas. This might in turn force the armed forces to defend their own position, either backing the changes or moving in to evict the invaders.

Promulgation of the decree is nevertheless certain to provoke a new challenge to the junta from powerful conservative sectors that so far have also prevented the carrying out of promised nationalizations of private banks and foreign trade, which were ordered earlier this month but have not been carried through.

Rep. Robert Bauman, R-Md., the floor leader for opponents of the bill, said that at least 13 amendments would be offered today. President Carter asked for it authorization on an emergency basis last Nov. 9, and administration specialists said then that they hoped to obtain enactment of the bill by the end of 1979 as a gesture of cooperation with the revolutionary government in Managua.

A similar bill was passed by the Senate a vote of 55 to 34 on Jan. 29, and a Senate-Foreign Relations Committee would resolve the differences if the House passes its version today.

The legislation was delayed in part because conservatives charged that Nicaragua was following Cuba's example in its economic and political program and forging close links with the Soviet Union.

Many supporters of the bill conceded that the aid program would be a gamble but pointed out that 10 percent of the funds would go to the private sector in Nicaragua and to U.S. assistance could encourage forces favoring an open, democratic society in that country.

Poles Set Trial Of UN Employee

UNITED NATIONS, N.Y., Feb. 25 (Reuters) — A secret Polish military court will try a United Nations employee next week on charges of working for the U.S. Central Intelligence Agency, her friends said today.

Alcia Wesołowska, 35, was detained by security police in August when she stopped in Warsaw to visit her parents while on her way to a new UN post in Mongolia.

A spokesman for a committee formed by UN staff and other associates to obtain her release said today that it had received a report from Poland that the trial was scheduled for next Tuesday and Wednesday.

UN Commission Meets Disabled Iranians

(Continued from Page 1)

lease of the hostages would be taken up by the Iranian legislature, which is not expected to be chosen before April. In effect, his statement seemed to rule out a direct connection between the commission's work and the hostage release.

The United States has not disclosed the details of the negotiations behind the scenes at the UN and elsewhere that preceded the establishment of the commission. But the administration has insisted since Saturday that the commission

has a twofold mission: to hear Iran's grievances on past U.S. involvement in Iran and to end the crisis with the United States.

Hodding Carter 3d, a State Department spokesman, said yesterday that "one of the points of reference of the commission is the resolution of the crisis between Iran and the United States." He added: "Our position is that one of the things at the heart of the crisis involves the release of the hostages."

An aide said that the Carter administration had assured by Secretary-General Waldheim that the hostages would be freed during the period mandated for the commission's work. "This was more than a gentleman's agreement," he said. "But it was not a commitment in writing."

If the statement by Ayatollah Khomeini is to be taken as Iran's position, it would appear that the Iranians had reneged. But so far the United States has chosen not to accuse the Iranian leadership of retreating from any understanding, in part because of uncertainty over what might happen in the coming days.

Yugoslavia, EEC In Trade Accord

BRUSSELS, Feb. 26 (UPI) — The European Economic Community initiated a cooperation agreement yesterday with Yugoslavia, aimed at bolstering that country's economic strength.

The agreement was devised to reduce Yugoslavia's trade deficit with the EEC, which on the basis of provisional figures, is expected to reach \$3.5 billion for 1979 against \$3 billion in 1978.

It offers Yugoslavia better access to the Common Market, with no import tariffs or quotas for about 70 percent of its industrial products. Tariff concessions were made for Yugoslav farm produce, including beef, tobacco and wine. The agreement also provides for \$286 million of financial assistance to Yugoslavia in the next five years.

Presenting an award in the Kremlin to Lajos Czege, the Hungarian defense minister, Mr. Brezhnev said that Mr. Czege's efforts over the last 20 years "make a big contribution to the collective efforts of our allied countries in strengthening the military organization of the Warsaw Treaty."

"Unfortunately, there are many troubled factors in world development. Today, we are experiencing one of them. And as always, our power, and it is big, aims at fostering the forces of war, preserving and consolidating peace on earth, Mr. Brezhnev said.

Russians Turn to Camel Meat To Get Over the Grain Hump

MOSCOW, Feb. 26 (UPI) — The Soviet Union is unveiling its secret weapon to help it get over the bump during the U.S. grain boycott — camel meat.

"Camels constitute a reliable source of meat production," Tass said today. "It is not necessary to store food for them."

Tass said that more camel ranches will be set up soon in the Turkmen Republic to double the stock of 88,000 camels in 10 years.

"Camels graze in the desert throughout the year," Tass said. "Meat productivity of dromedaries of the local variety . . . is high."

Tass said that up to 770 pounds of meat and fat could be obtained from each animal. Cattle and poultry, on the other hand, depend on grain and fodder.

In addition, camel milk and its derivatives have healing properties used in treating stomach and lung ailments, Soviet scientists reported.

Western agriculture experts said that camel meat output amounted to a small percentage of total meat production in the Soviet Union and fell in that "other" category that included rabbit and horse meat.

The Western experts said that camel meat, which tastes gamey like venison, was an important item in local Soviet republics. "The camel is a pretty good animal," one expert said. "But its not about to take over Northern Russia."

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Study Sees Safety Advantages In Nuclear Breeder Reactors

By Milton R. Benjamin

GENEVA, Feb. 26 (UPI) — A 66-nation nuclear conference has adopted a technical report that says fast-breeder nuclear reactors improve safety over current nuclear power plants on a variety of environmental and radiological safety issues and strongly supports their development by the major industrial countries.

The study, carried out as part of the International Nuclear Fuel Cycle Evaluation that opened its final meeting here yesterday, concludes that fast-breeder reactors could release less radioactivity into

the air than existing atomic plants and would also expose the operators of nuclear power plants to smaller radiation doses.

The report, cited a number of other ecological and environmental advantages for fast-breeder reactors and seems likely, in the climate of concern over nuclear safety that has existed since the Three Mile Island accident, to reopen the debate over the fast-breeder reactor program in the United States.

President Carter, in organizing the INFCE study in 1977, sought to kill construction of a U.S. demonstration fast-breeder reactor at Clinch River, Tenn., and tried to

persuade other countries to slow up their breeder programs as well.

The president argued against the spread of fast-breeder reactors — so-called because they breed more plutonium fuel than they use — out of concern that a sharp increase in the worldwide availability of plutonium, which can be used to fabricate atomic bombs, would add to the problem of curbing nuclear proliferation.

But France, Britain, the Soviet Union, Japan and other countries have pressed on with their fast-breeder programs, and Mr. Carter has not succeeded in killing the Clinch River project. Backers of the breeder each year have pushed funding through Congress to keep Clinch River alive, voting an additional \$172 million for the project in September by tacking a rider on a federal payroll bill.

The report adopted yesterday would appear to vindicate foreign countries that have forged ahead with breeder programs. With several Republican presidential candidates strongly on record as favoring development of an American breeder, the INFCE study — with its heavy pro-breeder thrust — could conceivably make the advanced reactor an election-year issue.

Among the advantages cited for the fast-breeder in the report:

- Fewer radioactive releases. "During the normal operation of a power reactor, there are minor releases of radioactivity into the environment in the form of both gases and liquid effluents; there is some evidence to suggest that there may be a difference between the two systems, with the fast reactor appearing to demonstrate a clear advantage."

- Less radiation exposure. "Occupational exposure should be lower for fast-breeder reactors than for [existing] reactors. Some European utilities are relying on the future fast-breeder to decrease the annual dose per operator to well below the figures for the [existing] stations."

- Less thermal pollution. "The thermal efficiency of the fast-breeder is higher than that of the [existing] reactor because the fast-breeder operates at higher temperature. The problems of thermal pollution are therefore reduced."

- Less nuclear waste for disposal. "More waste would be expected to arise from the [existing] power cycle than from the fast-breeder cycle. . . . This decrease would require fewer waste-handling requirements and, consequently, less permanent storage capacity."

Members of the U.S. delegation taking part in the INFCE talks concede that the breeder reactor would likely reduce the number of occupational deaths associated with the nuclear industry, since it largely operates on plutonium and thus would reduce the need for the uranium that fuels existing atomic power plants.

"The dominant factor by at least a factor of 100 in total fatalities is in uranium mining," a U.S. official said.

But the U.S. officials, while deciding not to formally dissent from the INFCE study's general endorsement of breeders for countries with large electricity requirements, made it clear they feel the report is too one-sided.

"The need and prospects for breeders understandably are given considerable attention in the light of their promise and the interest that some nations have in this technology," U.S. Ambassador-at-Large Gerard Smith said in addressing the INFCE session yesterday.

"But the breeder is not without its costs, risks and uncertainties. That report focuses much more on the positive features of the technology."



WATER MONSTER — A television cameraman gets ready to move out fast as a swamp buggy swerves off a water-covered race track in Naples, Fla., and climbs over a restraining wall. The buggy, which broke a steering rod, left the track at 60 mph, but avoided the cameraman.

Threat to Ozone Layer Still Seen

By Walter Sullivan

NEW YORK, Feb. 26 (UPI) — Despite the virtual elimination of freon propellants from U.S. spray cans, the earth's protective ozone layer remains in considerable peril, many scientists now believe.

Recent reports warn that unless freon propellants are restricted worldwide and freon emissions from air conditioners and other sources are diminished there will be a surge in the incidence of skin cancer and other ailments associated with increased exposure to ultraviolet rays from the sun — rays that are partially screened by ozone.

Various types of freon, also referred to as fluorocarbons or fluorochloromethanes, are synthetic compounds of fluorine, chlorine and carbon. They are ideal as refrigerants. Experts say no substitutes approaching their advantages of safety and efficiency have been found.

The reports point to the rapid growth in the use of freon-type substances in numerous products, including the soft foams in seat cushions, the rigid foams in refrigerator insulation, the disposable trays holding supermarket produce and a variety of solvents. These can release freon into the atmosphere through leakage, evaporation or deterioration.

The reality of the danger was stressed recently by the Committee on the Ozone Layer of the United Nations Environment Program. The committee, representing countries

that are the major producers and users of freon, has renewed an earlier appeal for a ban on freon at an international conference in Munich that governments seek to reduce freon emissions.

Recent Warnings

In recent months, reports on the ozone threat have been issued by the National Academy of Sciences in Washington and by Britain's Department of the Environment. One National Academy report, while citing wide uncertainties, says flatly that "continued release of halocarbons" — a class of chemicals that includes freons, which is a Du Pont trademark — "into the atmosphere will result in a significant decrease in the amount of stratospheric ozone."

One of the attributes of such chemicals has been their extreme stability. They do not react with other substances, which means they are neither flammable nor poisonous. For the same reason, however, they persist and accumulate in the atmosphere.

In 1974 it was suggested that when freon molecules reach the stratosphere they are split by sunlight, releasing chlorine that forms chlorine monoxide. This then acts, over and over again, to break up ozone molecules. It is stratospheric ozone that prevents lethal wavelengths of ultraviolet light from reaching the earth. Other wavelengths of ultraviolet light are necessary, however, to promote such things as vitamin D synthesis.

Since the warning was sounded, a wide range of observations with rockets, earth satellites, high-flying balloons and other methods have lent strong support to the depletion hypothesis.

It is not totally accepted by every authority, however. British reports stress the uncertainties more than do those of the U.S. science academy. They cite a perplexing balloon observation made on July 14, 1977, by Dr. James Anderson of Harvard University. The readings were radically out of line with theoretical predictions, showing roughly eight times more chlorine monoxide than expected or observed on 11 other balloon flights of the series, yet no evidence of the expected ozone depletion.

Dr. Anderson remains unconvinced that his 1977 measurement was instrument error rather than an indication of some as yet unrecognized effect. In a recent interview, he described a new series of stratospheric measurements that he believes should help to resolve doubts that remain.

New Measurements

The new measurements, which may begin as early as May, will be made by an instrument package lowered 12 miles from a giant balloon hovering in the upper portion of the stratosphere, the region of the atmosphere ranging from six to 30 miles high. After the instruments have scanned a deep cross section of the ozone layer, they will be hauled back up.

From measurements of chlorine monoxide and ozone throughout 12-mile cross sections of the stratosphere the susceptibility of ozone to breakdown by chlorine should be more precisely defined.

The National Academy reports estimate that if present worldwide rates of freon release continue, within 20 years a 16-percent increase in exposure to damaging ultraviolet rays is likely. Within little more than a century, it is proposed, there may be a 44-percent increase.

Since the production of such chemicals is increasing, say the specialists, without further regulation "the figures will be much higher."

U.S. experts say the most serious consequence to humanity of substantial ozone depletion would probably be an increase in melanoma, an uncommon but frequently fatal form of skin cancer.

The role of ultraviolet in causing the more common skin cancers — those normally curable — is more clearly indicated. They occur most often on the face and in those who work in sunlight. They also become more common at low latitudes.

There is some evidence that increased ultraviolet exposure affects the eyes, causing cataracts in the elderly and "cancer eye" in cattle. Also of concern are effects on aquatic life and lower levels of the food chain, including plants.

"The most significant effect of the damaging ultraviolet wavelengths is to break up the molecules of DNA that control cell function, development and heredity."

Cells have evolved repair mechanisms to cope with such damage, but apparently such mechanisms are overwhelmed if exposure is too intense or cumulative. Research into plant and animal responses to shorter wavelengths of ultraviolet began in the early 1970's but, as noted by the Academy, realistic tests are difficult.

1 U.S. Oil Firms Found To Exceed Price Limits

By John M. Berry

WASHINGTON, Feb. 26 (UPI) — The Council on Wage and Price Stability said yesterday that 11 major oil companies were not in compliance with the administration's voluntary price standard in the third quarter of last year, arguing customers by \$286.3 million.

But only Mobil Corporation's marketing and refining division was targeted formally with noncompliance. Neither the council nor Mobil could say by how much its revenues were supposed to have exceeded allowable levels.

Seven other oil firms have received notices of "probable non-compliance," the director of the council, Robert Russell, said. Three others were likely to get notices soon. These 10 firms were not named by the council. The companies other than Mobil were still trying to convince the council that they were in compliance or trying to get back into compliance.

A Mobil spokesman denounced the council's action, saying: "All of these findings by COWPS are so tortured and arbitrary that only political motivations could be behind them." They are, he added, "another example of the political nonsense generated in the heat of a presidential campaign."

Mr. Russell denied at a press conference that the timing of the charges was related to the New Hampshire presidential primary to be held in March. He said the charges were related to the New Hampshire primary to be held in March. He said the charges were related to the New Hampshire primary to be held in March.

In an analysis of reports from the 10 largest oil companies with refining operations in the United States, and from seven smaller companies with sales of more than \$250 million, the council said that by far the larger share of last year's increases in the price of petroleum products were permitted under the voluntary price standard.

Between the third quarter of 1978 and the same quarter of 1979, the council said that the price of gasoline at the pump rose from an average of 66.2 cents a gallon, to 96.4 cents. The price of home heating oil rose from 31.1 cents to 80 cents over the same 12 months.

Brown Removed From New York Primary Ballot

ALBANY, N.Y., Feb. 26 (UPI) — California Gov. Edmund Brown was struck from New York state's Democratic primary ballot yesterday after the State Board of Elections threw out nearly two-thirds of the signatures on petitions in his presidential candidacy.

Gov. Brown's campaign officials immediately moved for a state court view of the ruling, and a hearing is set for tomorrow.

Campaigning in New Hampshire, the governor said that he was "not going to take it lying down" and could pursue "all legal challenges."

A spokesman for the Board of Elections said that of the 15,404 names filed in support of Gov. Brown's candidacy here, 9,728 were left invalid. The signature rejections left the governor 4,324 short the number needed to put him on the ballot.

"They [the signatories] were mostly not registered, period, or not listed" in the Democratic Party, the law requires, the spokesman said. In other cases, he said, signatures were thrown out because the person collecting them was not an enrolled Democrat or because required election district or township formation was missing.

French Left Aims Censure Motions At Barre Cabinet

PARIS, Feb. 26 (UPI) — The left opposition put two censure motions before the National Assembly yesterday seeking the fall of the government of Prime Minister Raymond Barre.

The motions, by the Socialists and the Communists, were expected to be defeated by the pro-government majority in votes later this week, but the debate will enable the opposition to denounce increasing unemployment and the cost of living, which is reported to have risen sharply in January.

The Socialist motion called President Valéry Giscard d'Estaing's policies since his election in 1974 "a social and economic disaster." It said that while big business was reporting large profits, unemployment in 1979 rose by 130,000, or 15.7 percent, to 1,416,000 people.

The Communist motion, which contained similar points, also took issue with foreign policy, saying that the government was playing the role of a gendarme in Africa and virtually was moving back into NATO.

Watchmakers in Switzerland Worried

(Continued from Page 1)

tracts — unlike some of our competitors," Mr. Retornaz said.

The effort enabled Asuag to introduce last year what it claimed was the world's slimmest digital watch — the movement was less than a millimeter thick. And the SSII group, which makes Omega watches, is currently showing visitors a new watch it plans to introduce at the Basel watch fair in April. The new Omega watch contains 20,000 transistors. Its nine different programs are activated by rubbing a finger over a sensor. Industry sources say it is the first device of its kind to be marketed.

The watch of the future could prove even more versatile. Within five years, Swiss watch companies or their competitors may market a timepiece that contains a radio paging system and incorporates passport and credit-card information and possibly a miniature television screen.

Meanwhile, the industry faces several immediate and ticklish problems — one of them involving Mr. Tschumi's union. Its negotiators plan to press for increasing worker benefits, mainly by reducing hours to 42 a week from the present 43, when they meet industry representatives in Bienna next month.

These and other benefits could add roughly 15 percent to employer costs, a burden that a senior industry official termed totally unacceptable.

Another problem worrying the industry is coping with a U.S. boycott of the 1980 Summer Olympics in Moscow. As in previous Games, including the just-completed Lake Placid Winter Olympics, a Swiss industry consortium called Swiss Timing will provide cost-free timing for events. In return for supplying the timing facilities, the industry gets exposure through television coverage as Swiss trademarks flash on screens along with the results and scores.

Mr. Retornaz, who consulted with U.S. officials in Washington last week, said, "It is still very early to say what will happen, but clearly [a U.S. boycott] could hurt, particularly if the ABC network jumps out."

2 Convictions Overturned In Killing of U.S. Reporter

PHOENIX, Feb. 26 (UPI) — The Arizona Supreme Court has overturned the first-degree murder convictions of Max Dunlap and James Robinson, who were sentenced to death in the slaying of Don Bolles, a local reporter.

The court ruled yesterday that the trial judge unconstitutionally frustrated efforts by defense attorneys to cross-examine the prosecution's key witness. The case was sent back to Superior Court.

Bolles, an investigative reporter for The Arizona Republic, died 11 days after a bomb exploded beneath his car in the parking lot of a Phoenix hotel in June, 1976. His death led to an investigation of organized crime in Arizona by a team of newspaper reporters from around the country.

Defense attorneys said that they were preparing for a retrial, but William Schafer 3d, the chief prosecutor, said that he would ask first for a rehearing by the state Supreme Court. Bob Corbin, the state attorney general, said that his office would be ready to prosecute the defendants again if the petition for a rehearing failed.

Mr. Dunlap and Mr. Robinson were sentenced to death Jan. 10, 1977, in Superior Court in Phoenix. The Supreme Court ruled yesterday that they were denied their constitutional right to face an accuser when John Adamson, who detonated the bomb, refused to answer certain questions and Judge Howard Thompson declined to force him to do so.

Adamson, who was allowed to plead guilty to second-degree murder after he agreed to testify for the prosecution, is serving a 20-year sentence.

Justice William Holohan said in his decision that Adamson had described his part in the killing but invoked the Fifth Amendment right against self-incrimination when defense attorneys tried to cross-examine him on several points. The Supreme Court ruled that Judge Thompson had erred in denying a defense motion to strike all of Adamson's related testimony.

Operation Abscam Case

U.S. Taking Allegations Against Senator to Jury

By Martin Tolchin

WASHINGTON, Feb. 26 (NYT) — Justice Department officials told the Senate Select Committee on Ethics yesterday that they would take allegations concerning Sen. Harrison Williams Jr., D-N.J., to a grand jury that would conclude its work within 90 days.

The committee then deferred for 90 days its demand that the Justice Department turn over evidence gathered in the operation code-named Abscam, in which Sen. Williams and seven members of the House of Representatives are alleged to have received bribes from federal agents who posed as Arab sheikhs and their representatives.

Many other public officials were implicated in the operation, and law-enforcement sources have said that some cases might not be strong enough to be prosecuted. Yesterday's comments were the first indication that the Williams case would be among those referred to a grand jury.

The comments came from Philip Heymann, an assistant attorney general in charge of the criminal division, at a private session of the ethics committee. He told the panel that grand jury action would be completed by the end of May and that a trial would be conducted within four months thereafter if an indictment were returned.

The Justice Department has expressed fears that congressional inquiries could harm their case. And Sen. Howell Heflin, D-Ala., chairman of the ethics committee, reported that Mr. Heymann had said that if the Senate sought to subpoena the Justice Department evidence, "they will take us to the Supreme Court if necessary."

Sen. Heflin said that his committee would continue its independent investigation of the charges against Sen. Williams, "but in a manner so as to avoid any interference with the Justice Department's criminal prosecution and so as not to jeopardize the rights of any person accused."

Sen. Heflin also said that Sen. Williams had declined an invitation to appear before the committee because his counsel advised against it. The committee received a written commitment from the Justice Department, which promised to turn over all evidence in the Abscam investigation after a trial, if conducted, was completed, or, in the absence of a trial, after a decision was made not to bring Sen. Williams to trial.

The committee members said that the Justice Department decision not to provide the committee with evidence threw a roadblock into their investigation. "This leaves us in a situation where we doubt that we can acquire sufficient evidence to proceed," Sen. Heflin said.

The Justice Department indicated, however, that it would provide the committee with evidence that was not obtained by the federal investigators.

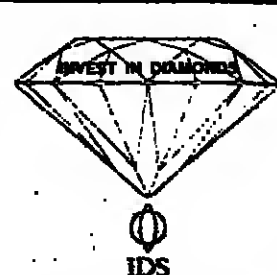
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A Sign of Hope in Mideast

Yesterday in Cairo, Eliahu Ben-Elissar, the first Israeli ambassador to an Arab country, presented his credentials to Egyptian President Anwar Sadat. At a similar ceremony in Jerusalem, Saad Mortada presented his credentials to Israeli President Yitzhak Navon and became the first Arab ambassador to Israel. Those two simple ceremonies, formalizing the establishment of full diplomatic relations between the two most militarily powerful countries in the Middle East, constitute a symbol of hope. Without the good will, courage and formidable political skill of President Sadat they could not have taken place. Israeli Prime Minister Menachem Begin deserves credit for his immediate receptivity to the Sadat initiative and for taking the risk, in the name of peace, of returning the strategically important oil-producing Sinai peninsula to Egypt.

At the moment, however, the Egyptian-Israeli rapprochement is the only clear sign of hope in the region. Prospects are dim that the Israeli-Egyptian talks on Palestinian autonomy will be successfully concluded by their May deadline; communal violence in Lebanon is increasing; Syria has substantial internal problems that are driving the Assad government deeper into the Soviet camp; there is increasing fear that Iraq or Libya might get an atomic weapon in the early 1980s; the Soviet Union has strengthened its hold in the Yemens; there are signs that the stability of the regime in Saudi Arabia is threatened; Israeli settlement policy is damaging both Israel's and Egypt's relations with the rest of the Arab world and the Palestine Liberation Organization shows no interest in accepting Israel's right to exist.

On top of all that, the revolution in Iran and the Soviet invasion of Afghanistan have further complicated the situation. Iran is no longer a suitable guardian of the Gulf (some would argue that it never was, although the perception at the time was different and appearances matter) and Saudi Arabia is not a viable replacement. Furthermore, the Soviet threat to Western oil supplies has been heightened. Israel believes that the United States and Western European countries

should conclude from all this that Israel is the one ally in the area on which they can rely. The United States and Western Europe seem to conclude that good relations with the Arab world are more important than ever and therefore Israel must be pressured into making concessions that would result in the establishment of a Palestinian entity. Israel argues that such an entity would be an instant Soviet outpost. The Arabs and the West apparently disagree, which raises the national blood pressure in Israel.

There is no easy or obvious way to deal with the Palestinian question in the present circumstances. But President Sadat's successful peace initiative toward Israel was not obvious, nor did it come easy. Even now, as the United States shores up Egypt with large-scale arms and economic aid, Israelis worry that Sadat will not be president forever. But they have taken a major chance, as did President Sadat when he went to Jerusalem. The next logical and legitimate step should come from the Palestinians. It is up to the PLO to recognize, clearly and unequivocally, Israel's right to secure existence in the Middle East. Such recognition should precede any attempt to redefine the Palestinian question. When UN Resolution 242 was proposed by Lord Caradon in 1967 it was done with extreme sensitivity, building in safeguards for the concerns of all parties. Its integrity should not be tampered with. But once the PLO has accepted the critical premise that Israel is fully sovereign and here to stay, a search for new formulations leading to the establishment of a Palestinian entity can begin.

In the meanwhile, Prime Minister Begin must swallow hard and reconsider some of his basic principles on settlement. He campaigned on the right of Jews to settle anywhere in the biblical Land of Israel, but much has happened since his campaign, including the historic Sadat visit to Jerusalem. If he were to restrain settlement now as an earnest of good will, the burden would be on the PLO to respond in kind. If they should, it would advance the peace process. If they fail to, Prime Minister Begin would have done nothing irrevocable.

INTERNATIONAL HERALD TRIBUNE.

Inflation: Why Fight It?

The longer the United States manages to prosper with inflation, the greater the temptation to ask: What's really wrong with it? Polls show that the public is greatly concerned about inflation. But the public also opposes slow growth, cuts in gasoline consumption and the kind of wage restraints that are needed to reduce it. So why not just live with it?

The problems inflation causes may sound abstract and may be difficult to pinpoint, but inflation is a serious enemy nonetheless. It has to be resisted.

Today's inflation is not a steady, predictable problem that the United States can anticipate and protect against. It is an erratic and capricious problem. The United States might have calmly accepted inflation of 5 percent a year — or even 13, the 1979 figure. But can the United States be equally sanguine when the rate keeps leaping unpredictably? The new January figure would mean an annual inflation rate of 18 percent. A rate of 20 percent was once unimaginable north of Rio. Now, Americans may feel it by Christmas. There are no policies in place at the present time to guarantee that this will not happen.

The greatest cost of accelerating inflation may be intangible — it riddles society with inequities. The big winners are those who guess right or get lucky, not necessarily those who work hard. In this game of chance, homeowners win and renters lose; gold-hoarders win and dollar-holders lose. A few big unions with fat escalator clauses in their contracts win, but the rest of the labor force loses. Foreigners visiting New York win; Americans in Paris lose.

Over time, such arbitrary strokes of fortune erode the sense of social justice on which a capitalist democracy rests. Losers resent winners. Frustration and cynicism about individual worth and the value of work turn people against legitimate work, toward crime. The tax system is flouted and the underground, off-the-books economy booms.

Another high, if unmeasurable, cost of steep inflation is the uncertainty it imposes on business. This may, over the long run, undermine the potential of the United States for economic growth. Companies always face some price uncertainty when they plan investments. But the greater the inflation, the wider the price swings they must guard against. Many economists think such uncertainties have already reduced spending for riskier long-term investments in factories and basic research and prompted investment with a quicker payoff. Such distortions may already have depressed productivity in the United States.

In foreign trade too, the current inflation rate is taking a toll by creating wider gaps in the inflation rates of trading partners. These disparities ripple quickly through the world economy, making pricing much more difficult and increasing currency speculation. Inflation also sharply limits the freedom of the United States to manage its domestic economic policy.

The social and economic costs of inflation so far have been primarily psychic. Most families have managed to maintain their living standards, but they have been forced to shed long-held concepts of how to live. Wives with young children have gone to work, while fathers, brought up on the virtues of thrift, teach their sons the new virtue of borrowing to the hilt. These psychic effects will exact a long-term price. And soon, the United States will also start paying for inflation in the harder coin of reduced economic growth.

Perhaps that's what it will take to convince the United States that inflation is worth fighting. But unfortunately, by the time the severe U.S. economic problems are evident to all, inflation is likely to be well above the January rate. The task of shaking it down then will be even more painful. The time to start the war against inflation is, still, now.

THE NEW YORK TIMES.

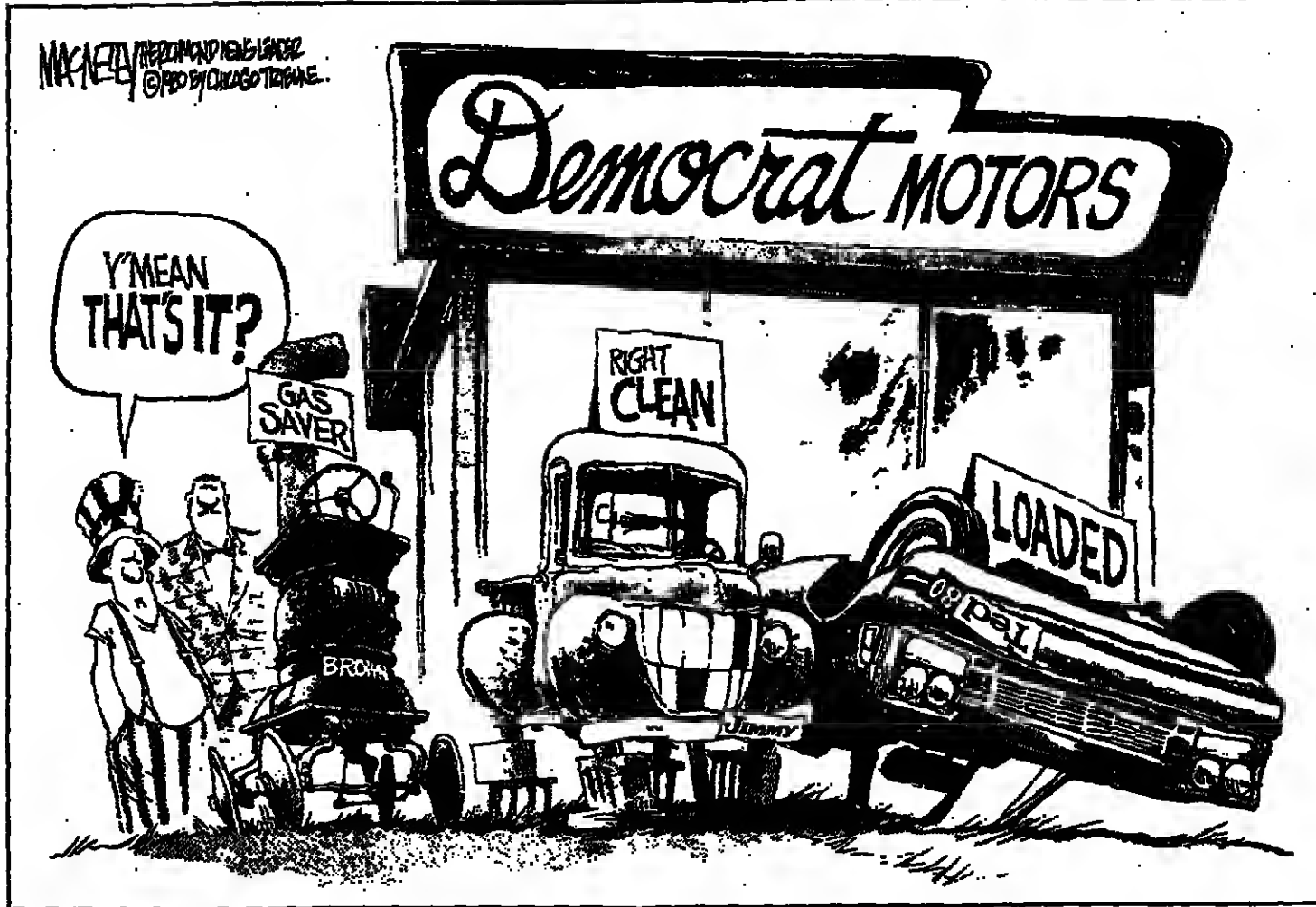
In the International Edition

Seventy-Five Years Ago February 27, 1905

NEW YORK — An address given by Dr. Osler, of Baltimore, is severely criticized by many. Dr. Osler, 55, declared his conviction that men over 40 have passed their era of power, while for men over 60, a peaceful death by chloroform is well worth discussing. "Take the sum of human achievement," he said, "subtract the work of men above 40, and, while we should miss great treasures, we would practically be where we are today." According to several leading physicians, Dr. Osler's conclusions regarding many men in the big American cities are absolutely true. Young men, they declared, were put into places for which their immature brains rendered them unfit, and very often they became prematurely old.

Fifty Years Ago February 27, 1930

BASRA — Agreement between King Feisal of Iraq and Ibn Saud, King of the Hejaz, and Sultan of Nejd, who have long been enemies, was reached aboard the British battleship *Lupin*, anchored near the mouth of the Tigris. With the Arab rulers was Sir Francis Humphreys, British High Commissioner in Iraq, to whose efforts the meeting was chiefly due. Among the provisions of the agreement are mutual recognition of Iraq and Nejd independence; outlawing of tribal raids and extradition of refugees. In a speech, Ibn Saud declared that Britain had always endeavored to make peace between the Arabs. It was stated by Ibn Saud's counselors that he had bought four English airplanes, which had been doing excellent work.



Abscammery: Nagging Doubts

By Meg Greenfield

WASHINGTON — Anyone who has mixed it up over the years in the fights for the rights of the accused, due process and similar principles, knows that the FBI has become known as being "soft on." It is not actually for the following things: rape, murder, mugging, student violence, urban looting, terrorist bombing and lifetime tenure for communist spies in government. This being my own unfortunate condition, I figure I might as well come out now "for" corruption in Congress. I mean, what the hell!

These fatalistic, self-pitying thoughts are occasioned by the row we are having in Washington over the FBI's Abscam project — the much-leaked and -advertised investigation that is said to have documented some legislators taking fat bribes.

After a Trial

At the outset, let me say — it will do no good — that I think corrupt public officials are an especially loathsome form of life and should be garroted, and that it would be wonderful if, as rumored, the FBI and Justice Department had targeted as Public Enemy No. 1 organized crime and its secret protectors within officialdom. But the garroting should come after a trial, not before an indictment. And what we know so far of Abscam doesn't sound to me like that long-awaited crack-down on the mob and its political guardians.

What's wrong with Abscam — or at least with that part of it that has come out and become an issue? Well, first, the public reaction. Everyone in the United States, just about, who hasn't (yet) been implicated in the scam, is enjoying it too much. We pretend to be mortally shocked and dispirited that a politician has been videotaped with the goods. There goes our "faith in the system," we say, and so forth.

Baloney — people love it. Nothing so reinforces the scapegoating instinct in us as this. Nothing does more to bolster the pernicious idea that our economic and social troubles are due to the larceny of a few elected officials, as distinct from being largely the predictable consequences of the society's own actions and choices. And nothing does more to pump up the vanity and smugness of that whole Utah Hoopful of commentators and critics whose own sense of self-worth seems to depend on denouncing daily that they themselves walk pure among the venal and the dirty.

Laughable Arguments

One of the most laughable arguments that has been put forward for disregarding the procedural shortcuts in this case — the airing of incomplete, unsigned and undocumented charges against the accused — has been that the accused themselves are so powerful, favored, secure and strong that just about anything goes. Much is wrong with this reasoning, but nothing more than the assumption on which it rests. The politician these days is, in terms of public support, about the most unpopular and suspect figure in U.S. national life. He ranks on the affection scale of the new decade somewhere between Alger Hiss and Huey Newton from other ages.

This, of course, does not mean that those legislators who have been named are bound to end up in prison if they have committed crimes. The proceedings are more likely to turn into a holiday (paid) for lawyers, the motions and appeals stretching unto eternity. And this will not just be a result of any damage done to the Justice Department's cases by advance publicity. It will also be because it is so difficult to establish the criminality of the political bribe, and that is because the bribe is so hard to distinguish from the ordinary political-legislative system that you and I have helped to establish and which we sanction.

Full Disclosure

This, for me, is another uncomfortable aspect of the Abscam enterprise. In the interest of full disclosure, I should say that one or two of the congressmen allegedly caught lead my list of least-favorite people on Capitol Hill. Still, the awful truth is that the murky atmosphere of enticement, if not actual entrapment, into which they and the rest were led struck me, upon reading about it, as being very like the at-

mosphere, the ambience, in which all congressmen habitually operate. This is a world of parties and receptions, night after night, among people who are hardly acquaintances and in no sense friends. It is a world where you rise to declaim about your affection for some other public person you despise. It is a world where there are few ordinary human relations, as distinct from continual transactions. And above all, it is a world in which none of this can ever be acknowledged. The people who lobby for a tax break for your trade group, for a mortgage benefit for me, for all the rest, are — in some sense — with their support doing what the FBI briber did. That room in the setup house must have been like hundreds of other "innocent" rooms the congressmen had been in.

Yes, I know that some of the abscammy is alleged to have been just plain greedy bribe-taking, and we're none of us for that. I'm only saying that: I don't think it would be that much of a trick to entice someone over the blurry line: 2) some of the FBI results don't strike me as being nearly as serious forms of payoff-corruption as what goes on (legally) in congressional committees day after day; and 3) even under its new management, the FBI's foray into this line of business has pings and resonances I don't like.

By the year 2000, I suppose, the lawyers will (with luck) have decided whether this was in fact "entrapment," whether the bureau was creating crimes and inviting others, through elaborate temptations and ruses, to participate in them. You have your presupposition about

Congressman Blather and his inclination to pocket dough. I have mine about Agent Squint and his penchant for crossing the undercover line between investigating crimes and actually generating them. We know plenty about legislators on the take. But we also know plenty about FBI provocations of crime in black-militant and general political-dissident circles, about how you could never be sure just who started the riot.

Due Process
All I'm asking for is time and due process. Let's not hang these guys in the newspapers on the basis of charges by nameless, faceless "sources." Let's hang them later — after we actually know what they did. It's not a whole lot to ask — and the rights you save may be your own.

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Reading Brezhnev's Mail

By Dan Fisher

MOSCOW — A 41-year-old Soviet intellectual, not a dissident in the common Western understanding of the term, was jailed recently after sending a petition open-ly to President Leonid I. Brezhnev asking for "immediate withdrawal" of Soviet troops from Afghanistan.

The man who sent it, Viktor Sokirko, has not demonstrated or called press conferences to air his disputes with Communist authorities, and hasn't wanted to emigrate. He has, as in this petition, argued from within the system for some liberalization of Soviet policies. Even that is enough to brand a man a "dissident" in the Soviet context. The Russian term for dissidents — *inakomyslyashchie* — is, literally, "people who think differently."

Thinking differently has got Sokirko in trouble off and on for 20 years. He was expelled from the Young Communist League in 1961 for "slandering Lenin's reality," and not believing in Marxism-Leninism. He had sent a letter to the Communist Party Central Committee criticizing that body's political program.

Signed Protests
In 1968, he signed protests in defense of Alexander Ginzburg and Yuri Galanskov, two open dissidents who had been sentenced to seven years' imprisonment for their activities, and in support of the Crimean Tatars, a people forcibly exiled from their historical homeland by Stalin and still not permitted to return. Sokirko was sentenced to six months of "corrective labor" in 1973 after he refused to give evidence against dissident Pyotr Yakir. Beginning in 1978, he contributed a number of critical articles on economics to an underground journal

dedicated to free debate, called *Polski* (Searches). The petition to Brezhnev was his latest exercise in "thinking differently." Thirteen days after he wrote it, he was arrested. Sokirko, a father of four, is apparently being held in Moscow's Butyrskaya political prison. The charges against him are unknown.

His petition is a classic example of the kind of open discussion that Sokirko advocated. His arguments against the Soviet move into Afghanistan are echoed privately by other intellectuals here. No one will ever know how many share his views, because, no matter how cautiously and reasonably voiced, any expression of sympathy for them is dangerous. There is only one acceptable way to think about such things here, and that is as the party does.

Doing His Duty
Sokirko's petition, dated Jan. 10: "Having realized my personal responsibility for the future of my country and its children, and fulfilling my citizen's duty, I hereby request the immediate withdrawal of all Soviet troops from Afghanistan."

"Because I foresee the great trouble that will be caused our families and country in the event of continued direct participation in this civil war, I am forced to turn to you with a letter like for the first time [in my life]."

"The decision to place troops in Afghanistan is an alteration of all longstanding external policy, and sets a bad example. The placement of our troops in Hungary in 1956 and in Czechoslovakia in 1968, no matter how it is judged, was done

with the internationally accepted sphere of Soviet influence. In Korea, Vietnam, Cuba and Africa, our troops have not fought."

"Now everything has changed. The decision made at the end of 1979 is a step into the abyss: Suppression of a civil war in a mountainous country of 16 million fanatic militant Muslims will demand enormous effort, time and lives. Besides this, it places us in a hostile position before the entire Moslem world. Nineteenth century Russia fought the mountain-dwellers of the Caucasus for more than a quarter of a century. The war with the Basmachis (counterrevolutionaries in Soviet Central Asia) after the revolution continued for more than 10 years. Afghanistan could demand even more. And for what?"

"In order to take upon ourselves the feeding of a ravaged country and the unneeded control over religious people? In order to create a precedent and temptation for military 'support' of subsequent 'uprisings and revolutions' in other countries? In order to sacrifice the lives of our soldiers in an alien war and guarding the Afghan-Pakistan and Afghan-Iranian borders? In order to upset all nations for our own internal and external security, to embitter and rally them against us, to bury hopes for disarmament and détente?"

"The U.S.A. was defeated in its attempts to appease warring Vietnam. Our country could sustain a still greater defeat in Afghanistan. I suggest that we recall our troops from Afghanistan. If an external threat to Afghanistan from Iran, Pakistan, and China actually exists, then we should ask the UN to send its troops to Afghanistan's borders to avert aggression. If the present Afghan government cannot guarantee the safety of the Soviet specialists working for it, then they should be recalled until the end of the war. If an overwhelming majority of Afghanistan's population supports the 'counterrevolutionaries,' then we should grant political asylum to the present revolutionary powers."

"A policy of nonintervention and refusal to export revolution to other countries should be restored in full measure. It is your duty to save our country from ruin, and our youth from senseless slaughter."

©1980, Los Angeles Times.

Letters

Heeding a Warning

Ever since literature became an integral part of our society, man's sensibilities have tended to reject the unpleasant applications and realities of its "hidden" meanings.

We dwell awhile within the "fantastic world" of Franz Kafka's "The Castle," but once we cross the bridge back to "our world," Kafka's message soon evaporates in the daily "realities" of our guarded existence. Some of us are enlightened for a while to the acute dangers of apathy and heedlessness after seeing Samuel Beckett's plays. But they leave no more than impressions in the sand that are erased by the tidal waves of our habitual self-assurances. The disruption of our minds by the "seemingly unreal" blots-out troubled waters we prefer not to see.

So it has been with Alexander Solzhenitsyn and his dramatic albeit literary warnings to the West about the dangers of communism. Following his expose in Washington in 1975 for which the White House snubbed him and his supporters for "bad manners," it would seem that the Soviet invasion of Afghanistan that people are at least willing to lend him an ear. But are

they able or willing to assess with sensible and discerning objectivity the true reflections of Russia's greatest living writer — with both ears?

HARRY SPIRO.
London.

Up in Arms

In his diatribe against women's conscription (1/17, Feb. 14), George Will doesn't consider that just as some women are taller than some men, some women are stronger than some men, and some women are smarter than some men, so it is illogical (not to say a dangerous luxury) to exclude all women from the draft on the basis of gender alone.

The fact that this question is decided exclusively by men suggests that something else may be at stake here. Could loss of male power, privilege, or masculine self-image be the real issue beneath the rhetoric?

As for me, I get very nervous when men like Mr. Will seem to confuse manhood with "fighting the Russians." The temptation to prove one's manhood may one day become tragically overwhelming.

LYDIA W. HORTON.
Brussels.

A Search For Afghan Solution

By Stephen S. Rosenfeld

WASHINGTON — The Carter administration is moving into a new phase in the Afghanistan crisis. To its political retreats and military preparations it is adding a search for diplomatic ways to undo or at least limit the damage done by the Soviet invasion. It hopes the Soviet Union will see its self-interest in the same terms.

Well, it's worth trying, and not merely because jittery allies and some liberal constituents ask reassurance that Jimmy Carter has not overreacted. No realistic diplomatic stone should be left unturned. Yet, neutralization, the idea currently being explored inside the administration and in Europe, shows some of the pitfalls of the diplomatic way.

Neutralizing Afghanistan sounds great: It promises the end of the Soviet occupation, the restoration of the nonalignment that Afghanistan ostensibly enjoyed before the trouble broke out, and the removal of a contentious place and issue from the great-power struggle. It would mean success for the old Carter policy of accommodating the Third World and for the new Carter policy of standing up to Soviet power: a diplomatic two for one.

But is it worth it to Moscow to try to turn the clock back to Dec. 26, the day before its Afghan advance? By the most benign interpretation of the move, the Kremlin meant to clean up a mess in an area of its traditional interest. But in this event, neutralization, including a Soviet pullback, might cost Moscow precisely the control it crossed the border to acquire. Carter's proposal to replace Soviet troops with Moslem peacekeepers may seem only a backdoor invitation to the counterrevolution.

At the other extreme, suppose that either before or after the invasion the thought entered some Soviet heads that a position in Afghanistan provided strategic options in places further afield.

Not an Austria

In that event, neutralization might appear to be a plan to deny Moscow the very fruits for which its costly military operation was undertaken.

Neutralization, or a version of it, worked well enough in Afghanistan for 30 years, or 100 years. But it collapsed on Dec. 27. It is hard to see how it can be revived in circumstances in which only one of the two ultimate guarantors has usable power on the ground. Faced European wishes notwithstanding, Afghanistan is not Austria.

So you may ask, if not neutralization, what? The first fact, I think, is to sort out diplomatic priorities. It is desirable to scale back and eventually remove the Soviet military presence in Afghanistan. But it is urgent to ensure that the crisis does not spread beyond Afghanistan. As it happens, one available key to both purposes lies in the military aid the United States is reportedly supplying covertly to the Afghan resistance.

The Russians have at least two hard-ball responses they could make to U.S.-supported resistance mounted from Pakistan. They could sponsor hot-potus raids into the guerrillas' camps. They could have their Afghan clients reactivate an old territorial claim, one that raises the question of Pushtun separatism and could conceivably lead to the dismemberment of Pakistan. The resistance is often presented as something noble, perhaps even a bit romantic, as something that raises the costs the Russians must pay for their occupation. But it is heavy stuff. It could bring the United States under intense pressure to give meaningful assistance to the Pakistanis — in conditions unfavorable to the U.S. side. It could lead to a spreading of the crisis.

The whole matter of the Afghan resistance is bizarre. No credible suggestion has been made that any part of the opposition that brought in the Soviet troops had U.S. strings. Clearly, the preponderance of the continuing resistance is entirely indigenous. Any U.S. contribution has been slight and recent.

An agreement to ensure mutual respect of the Afghan-Pakistan frontier may now be to the point. It could help keep the Afghan crisis from spilling over the boundaries of Afghanistan and, over time, it could contribute to reducing the dimensions of Moscow's Afghan expeditionary force, the better to diminish any temptations to use that force elsewhere and, little by little, to let the Afghans breathe. Whatever Afghan operations the United States or others may be supporting must be measured against these purposes.

To some this will seem appeasement. To me it seems a judicious balancing of ends and means. A bottom, that, and not pulling bits out of hats, is what diplomats must be about.

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NYSE Nationwide Trading Closing Prices Feb. 26

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock										12 Month Stock										12 Month Stock									
High Low Div. Yld. P/E 100s. High Low Quot. Close										High Low Div. Yld. P/E 100s. High Low Quot. Close										High Low Div. Yld. P/E 100s. High Low Quot. Close									
4314	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4315	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4316	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4317	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4318	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4319	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4320	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4321	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4322	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4323	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4324	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4325	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4326	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4327	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4328	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4329	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%
4330	23% ACP	2.54	52	7	183	39	35%	3634	+	4	14	Artenry	3.0	152	39	314	354	+	5634	4414	CBS	2.80	5.7	7	157	47%	47%	47%	47%

Selected Over-the-Count

By reading across the table of the February 26, 1980 closing interbank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers (These rates do not take into account bank service charges):

	S	I	D.M.	F.F.	I.L.	Glor.	R.F.	S.F.	D.S.
Amsterdam	1.9A15	4.622	110.75*	46.93	0.23		6.787*	11623*	53.56
Brussels (a)	29.295	65.175	16.2375	9.72	3.987*	14.729		11271	20.36
Frankfurt	1.261			62.02*	2.161*	90.74	4.150	15.97	22.10
London (b)	2.78		4.0175	N.A.	1.054.00	4.405	45.133	3.2995	14.74
Niion	0.1520	1.0573	463.15	19.75		42.03	28.557	48.877	143.95
New York	413.30	2.7346	0.567	0.262	0.123*	0.154	0.036	0.598	0.116
Paris		4.154	234.64*		5.069*	212.98	144.655	247.66	752.04
Zurich	1.1654	30.196	94.773*	40.114*	0.2048	2.06403	5.82015		7.7047
	1.4185	0.022336	2.4996	5.0055	1.157.29	25.937	N.A.	2.3695	39.49

Dollar values

\$ equiv.	Currency	Per U.S.	\$ equiv.	Currency	Per U.S.	\$ equiv.	Currency	Per U.S.
0.0039	Belgian fr. franc	21.95	N.A.	Irish £	0.0792	Scillies	12.12	
0.0045	Canadian \$	19.68	0.025	Israeli £	0.4623	Singapore \$	2.76	
0.0182	Danish krona	5.4885	2.682	Kenyan shilling	0.2728	Sri Lankan Rs.	4.17	
N.A.	Ecuador	N.A.	0.204	Norw. kroner	4.899	Swedish krona	4.76	
0.267	Fin. mark	3.7345	0.015	Pakistani Rupee	46.013	U.A.E. dirham	26	
0.200	Hong Kong \$	4.956	0.297	Saudi Rial	2.365	Yen	26	

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Month	Stock	Div.	Yld.	P/E	100s.	High	Low	Close	Chg.	Prev.	12 Month	Stock	Div.	Yld.	P/E	100s.	High	Low	Close	Chg.	Prev.
Low	High	Div.	Yld.	P/E	100s.	High	Low	Close	Chg.	Prev.	High	Low	Div.	Yld.	P/E	100s.	High	Low	Close	Chg.	Prev.
11	14	FILFAM			35	2	2	+	+	+	33 1/2	15N Halcyon			14	729	495	24	49 1/2	+	+
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11	14	FILFAM			35	2	2	+	+	+	33 1/2	15N Halcyon			14	729	495	24	49 1/2	+	+
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INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

PARIS, FEBRUARY, 1980

Saudi Arabia



Unrest, Foreign Policy Create New Challenges

JIDDA (IHT) — Saudi Arabia is finding that foreign policy entanglements, as well as pressures at home, are threatening its metamorphosis into an industrialized desert kingdom.

Growing fears under its rulers' facade of confidence center on general Gulf security, Soviet advances into the Arab world, the lack of a satisfactory solution to the Arab-Israeli dispute, the rifts plaguing Islam and internal threats to the monarchy.

So far, Saudi petrobillions have not been able to buy solutions, and the famous "oil weapon" has proved to be a double-edged sword which must be wielded carefully.

At the same time, economic planners must weigh carefully the effect of more than \$200 million a day in income on a nation of 6.5 million inhabitants — a quarter of them nomadic — with as many foreign as Saudi workers.

Oil production is now about 9.5 million barrels a day, but it is regularly under review for economic, financial and political reasons.

Great strides have been made in developing an economic infrastructure, with widespread social services and benefits. But planners must determine at what pace to exploit the depleting oil resources while diversifying the national economy in the face of world financial insecurity abroad and diverse mounting pressures at home.

Rulers have steered a careful course to turn a conservative and backward land of sand dunes into a thriving modern country with traditional values, but this not without problems.

Some sectors feel left behind in the whirlwind development, and here are rumblings of a political opposition. For some, cherished progress has been too fast, threatening the fundamental Islamic way of life. Others, including educated women and young professionals with no access to power, say progress has been too slow.

King Khaled's government has restored order after the November riots on the Grand Mosque in Mecca and demonstrations in the Shiite Moslem center in the Eastern Province, but those upheavals shook the out of Saudi leadership.

In a special report on the Mosque said, The New York Times inter-

viewed Middle East and Gulf specialists in London, Washington, New York, Kuwait and Bahrain to determine that the action had political as well as religious overtones.

It said that 500 armed men burst into the holiest shrine of Islam shortly after morning prayers on Nov. 20. Their leaders denounced the royal family and declared one of their own as the new leader of the Moslem nation. They were dislodged only after two weeks of fighting, with hundreds of casualties on both sides. The captured leader, Juhayman bin Mohammed bin Seif al-Oteibi, 36, was beheaded with 63 others.

The Times interviewed Khalid al-Hassan, a senior official of the Palestine Liberation Organization known for his close relations with

**'Oil weapon:'
double-edged
sword which
must be wielded
carefully.**

the Saudis. He said he heard tapes of some exhortations against the House of Saud. He was quoted as saying:

"They talked of commissions paid on business deals to royal princes, of the drinking of alcohol and of the smuggling of spirits by royal family members, of the need to select rulers who adhere to religion, and of the climate of moral collapse in the kingdom."

Crown Prince Fahd, the prime minister and day-to-day ruler, has expressed concern at bribes taken from foreign companies in return for contracts and at high living by Saudi sheikhs and princes which contravene Islamic tradition. He ordered that efforts be made to stamp it out.

During the time of the siege, crowds of Shiite faithful demonstrated to mourn the killing 13 centuries ago, of the Prophet Mohammed's grandson, Hussein. With self-flagellation and public outcry, they praised Ayatollah Ruhollah Khomeini and denounced the ruling Sunni House of Saud.

Diplomats and neutral observers do not agree on the seriousness of internal threats, but most point out that in times of trouble the royal family bands together, forming a powerful force.

Nonetheless, external problems press from all sides, and perhaps the most immediate preoccupation is stability in the region.

Saudi Arabia lies on the Gulf, that enormous receptacle of oil, and is vulnerable because of its geographic position.

Iran, uncontrolled and unpredictable, is just across the water. And, in a different threat at the southwestern tip of the peninsula, Southern Yemen has made strong moves to become the Soviet Union's main springboard into the Arab heartland.

Despite unusually frantic efforts by King Khaled and Prince Abdullah, commander of the Saudi national guard, the Southern Yemeni president, Abdul Fatah Ismail, has signed a 20-year "friendship and co-operation treaty" with the Kremlin, opening his strategically situated country to virtually uncontrolled Soviet penetration.

The Russians have pledged to double Southern Yemen's army of 25,000 men, and already Soviet bombers and other equipment are based in the country. Thousands of Soviet and Cuban advisers are expected to pour in.

The mood was grim in October when King Khaled was host to an emergency meeting of Gulf foreign ministers in the city of Taif, south of Mecca. Attending were representatives of Bahrain, Qatar, Kuwait, the United Arab Emirates and Oman, all of them facing the problem of insecurity.

Khaled's answer was the creation of a Supreme Coordination Committee of the Gulf, which would bind the area's Arab governments for a joint action against the threat of external subversion. The Taif meeting is yet to be implemented on the level of defense ministers and chiefs of staff of the various armed forces.

Despite their oil and money, the Gulf countries have not been capable of exercising the role of regional gendarme. Saudi Arabia still relies on security provided by the United States, although relations between

(Continued on page 9S col. 1)



A group of foreign construction workers trudge across the sand dunes.



Palm trees line a boulevard in the capital city of Riyadh.

Concern Growing Despite Huge Oil Income

By Mary Jo McConahay

RIYADH (IHT) — Saudi planners talk about economic development these days with concern in their voices despite a national income that should total more than \$80 billion during 1980.

"We are a one resource country and we're worried about it," Planning Minister Hisham Nazer says. "People envy us, but we don't think we're rich at all."

The dependence on oil has forced Saudi Arabia to reassess its objectives. At stake are the level of oil production and the volume of spending at home and abroad, and the decisions will affect much of the world.

On the surface, development is thriving. New projects include costly desalination plants for ultramodern cities in the middle of empty sand dunes, and the second five-year development plan — for \$142 billion — is now concluding. Like the first plan, it concentrated on the basic infrastructure essential to the oil-producing economy.

But the third plan, which runs from 1980-1985, is geared toward non-oil sectors, such as industry, agriculture and minerals.

Planning has been coordinated between the Western-educated technocratic Saudi elite and the thousands of foreign advisers, contractors and builders who are anxious for a share of the wealth.

The push is toward self-sufficiency, both in material needs and skilled manpower. During 1978, for example, there were 50,000 Saudis in the United States studying everything from advanced computer programming to the sociology of rapid change. Equally important, planners say they intend to chip away at the growing concept of the government as the great provider — before it is too late.

Some criticized the second plan for being too ambitious and now critics say it fell short of its goals. Mr. Nazer calls such assessments unfair.

About 80 percent of the expenditure was earmarked for the basic components of a modern, industrial

society — schools, roads and an extensive airline system in large country where centers of population are separated by large distances, one of the world's most modern telecommunications grids, vast desalination and electrification projects, and a \$20-billion natural gas-gathering system which will serve as the fuel for industry.

Mr. Nazer acknowledged there had been waste and that not every project was implemented or finished on time. In some areas such as education, he said, "we have done only quantitatively well."

Yet on balance, the minister emphasized, the most significant projects are under way.

During the year, the country will have to find reasonably inflation-proof investment for its surplus of petrodollars, estimated at more than \$12 billion. It will have to decide to what extent it can afford to meet American demands for more oil production without jeopardizing its own stability. Finally, it will have to weigh carefully the relation of its dizzy rush toward the modern age with the country's ability to absorb new wealth, and calls for caution from traditional elements in the Saudi family and the clergy.

The second plan grossly underestimated the number of foreigners that would be needed to meet deadlines, to do the hard labor of construction and to run facilities from schools and hospitals to scientific research centers. According to the best estimates, as high as 40 to 50 percent of the labor force in the country now is non-Saudi. There are about a half million foreign workers in the kingdom, mostly Asians — Indians, Pakistanis, Koreans and others.

Saudis tend to scorn manual labor, and many have grown rich simply by being citizens of a country where most foreign business endeavors need a local sponsor or go-between.

The resulting situation is loudly criticized by the powerful religious forces, who claim the outsiders represent an imminent danger to the closed, fundamentalist Islamic society.

Mr. Nazer said that except where

investment is needed to support the growth of industry, agriculture and mining, new spending will be slowed down in the third plan. Foreigners, who generally must come to the country without their families and receive work permits for only limited periods of time, will drop in number as ongoing projects are finished.

All around the Gulf, the kingdom can see the situation of its oil-rich neighbors with small native populations, where outsiders in overwhelming numbers manage almost all sectors for an elite minority of citizens. To avoid the same fate, some Saudis feel they must begin quickly to run their own show.

At the same time, deeply ingrained local attitudes may frustrate their own best efforts. A full 50 percent of the potential labor force — women — are not allowed to work where they can be seen by men. This virtually eliminates them in jobs outside education and medicine, where they can work only with other women. The government is not trying to change this attitude — in fact, the opposite is true. Women are not allowed to drive cars, and education spending for girls is significantly below that for boys.

Job Training

The new plan will likely call for spending on intensive vocational training programs for men, although the idea of learning a trade has never been attractive here. A Saudi generally would rather drive his own taxi than work with his hands for someone else, even for higher pay. Neither do Saudis generally choose to work the land. Until now, the government has not tried to increase the prestige of these sectors.

"Sometimes we follow policies that defeat our purposes," said Mr. Nazer.

If a young person wants to go to university, for example, all he has to do is show up on registration day, because higher education in the kingdom is on an open admissions basis. If he studies abroad, he gets everything from tuition to spending money, including rent for his apartment.

(Continued on page 1SS col. 1)

Royal Family Emphasizes Solidarity

By Aly Mahmoud

RIYADH (AP) — The patriarch of the Saudi clan, wily old King Abdel Aziz Al-Saud, had 15 wives from the various tribes of the kingdom, 52 sons and 54 daughters upon his death in 1953. The tradition has persisted in the family, which expanded to thousands of princes and nearly as many princesses.

There are approximately 4,000 male members of the royal family. Their written constitution is the Koran, the word of Allah, the basis of the Islamic faith for 14 centuries and the moral base for the house of Saud. Their consanguinity is interwoven with desert guile.

However, whenever discord seriously breaks out behind the thick walls of their ornate palaces, all princes turn to the "inner six," a supreme council of elder princes representing the main branches of the family.

Learned Body

They are: Prince Mohammed, the eldest surviving son of Abdel Aziz; King Khaled; Crown Prince Fahd, 57; the national guard commander, Prince Abdullah, 59; the defense and aviation minister, Prince Sultan, 55; and Prince Abdel Mohsen.

Hours after the murder of King Faisal in March, 1975, the inner six met and confirmed his half brother, Khaled, 67, as king, and then named Fahd crown prince. Faisal had accept-

ed Khaled as his successor mainly because he was not considered to be interested in power politics and palace intrigues — therefore not a threat. The royal family accepts Khaled for very much the same reason. He never imposes decisions. Rather, he reigns by consensus.

Decisions of the inner six are usually substantiated with Koranic interpretations issued by the *ulema*, a body of learned clergy.

King Khaled has the forthrightness of a bedouin and is friendly and cautious in his relations with others. When problems press, he is likely to go hunting with his falcons. Those who know him well say the monarch has "desert intelligence" and an ability to arrange compromises in the interest of national harmony.

His power base is the Jeluwi clan (from which his mother came). He is backed by his full brother, Prince Mohammed, the grave and taciturn elder who commands undivided respect among all princes. Mohammed should have been crown prince during Faisal's reign, but the late king found him too strong for his taste. Mohammed himself renounced his claim to the throne in favor of Khaled.

Monarchical succession has followed a father-to-son pattern, and the king owes much of his power to the family and must reckon with its politics, despite all appearances of an absolute monarchy.

Crown Prince Fahd is the most influential of the so-called Sudairi Seven, after the name

of the tribe of their high-spirited mother, who was one of the wives of King Abdel Aziz. The outspoken Sudairis also include the tempestuous defense and aviation minister, Prince Sultan, who commands the army; the 46-year-old deputy minister of defense, Prince Turki; the governor of Riyadh, Prince Salman, 42; the interior minister, Prince Nayef, 44; the former governor of Mecca, Prince Ahmed, 39; and the deputy governor of Riyadh, Prince Satam, 37.

Princes Nayef and Sultan personally supervised the storming and recapture of the Grand Mosque of Mecca in Nov. 1979, when they smothered a threat to the monarchy and ended the desecration of the shrine by persons whom they described as religious fanatics.

It is not surprising that such a lineup has inspired nervous questions among some princes about the ambitions of the Sudairis.

Fahd, Khaled's half brother, is definitely set to become king after Khaled, who has a history of heart problems. But the inner six have yet to decide who is to be named crown prince when Fahd succeeds to the throne. A likely candidate will certainly be the conservative, Abdullah, commander of the national guard, who also is second deputy prime minister. Khaled is nominally prime minister, with Fahd his first deputy.

Often called the "strongman of Saudi Arabia," the ambitious Fahd runs the day-to-day

(Continued on page 1SS col. 1)



King Khaled of Saudi Arabia.



Militarization Proceeds Rapidly

By John Rossant

RIYADH (IHT) — Although Saudi Arabia is a long way from becoming a military society, there are indications that the armed forces will play a significantly larger role in national life than ever before.

Militarization is proceeding rapidly, especially since the fall of the Shah of Iran and Russian invasion of Afghanistan.

Saudi planners have reportedly begun to see military power as integral to national development, an aim of which is the "fostering of a sense of Saudi citizenship," as a cabinet minister put it recently. The royal road to becoming an ideal Saudi in the future is more likely to be through the armed forces.

When Prince Sultan, the personal minister of defense and aviation, announced rather out of the blue last April that national military conscription would begin before the end of last year, he surprised most military analysts here.

Plans Studied

"We had been expecting some kind of conscription plans for a long time, but this surprised everyone," said an executive at Lockheed, the company maintaining the kingdom's squadrons of C-130Es, C-130Hs and KC130Hs.

But Prince Sultan's announcement seems to have been premature, and sources in Riyadh say that the Ministry of Defense and Aviation is now conducting long-term studies on mobilization (with help from the Pentagon), meaning that a draft is still some time away. The Saudi Arabian national guard, under the command of Sultan's half brother, Prince Abdullah, is also known to be studying its own conscription plans.

When it does come, and come it must, according to most observers, it will not be easy and will probably be the most radical change in Saudi society since the almost surrealistic advent of petroleum wealth. Despite the valor and toughness of their Bedouin forebears, the majority of latter-day Saudis aspire to a life well-insulated from the rigors of desert and camp. They are not a people given to regimentation, and the laissez-faire boom town economy atmosphere in many places has not helped social cohesion.

"Do not ask what your country can do for you, ask what you can do for your country," say the army and

air force recruitment ads in the Arabic press, in the hortatory tones familiar to Americans. Directly underneath are prominently listed the various starting salaries for cadets. But despite an initial monthly basic pay of about \$1,100 (tax-free, of course, and including perquisites such as land allotments, free family housing, education and travel) it is quietly admitted that the money cannot yet attract enough young Saudis, most of whom would rather pursue their fortunes in the private sector.

Highest per capita defense expenditure on earth, roughly \$2,000.

Saudi military spending is staggering. The defense budget for 1978 was estimated to be more than \$14 billion (with about \$8.4 billion representing Saudi purchases of American military hardware and services). Saudi Arabia has far and away the highest per capita defense expenditure on earth, roughly \$2,000 for every man, woman and child in the kingdom (compared to \$520 a year in the United States, \$243 in Syria, \$54 in Egypt and \$32 in Algeria).

Perhaps a more startling figure is the \$233,000 spent yearly for each of the 60,000 troops in the paramilitary and armed forces, a figure 10 times Iranian military expenditure for every enlisted man during the height of the shah's extensive arms program.

"Look," said a Western military attaché in Jidda, "the Saudis are building up a modern army from scratch and the infrastructural costs are enormous. Ministry of Defense expenditure on roads, ports, airstrips and housing is not very military at all." The Saudis, though not strategically naive, do not particularly indulge themselves in the so-

phisticated equipment that so charmed the deposed Mohammed Reza Pahlavi.

The expensive military items are the mammoth military construction projects at King Khaled Military City (near the Iraqi border), Tabuk (in the northwest, near Israel), Khamis Mushayt (in the southwest, near Yemen), as well as multi-billion dollar military academies, naval facilities and support facilities for the kingdom's three F-5E squadrons and the soon to be delivered F-15 fighter bombers.

Octagonal City

The biggest of them all is King Khaled Military City, which provides a fairly good example of Saudi spending overkill. The project is a cantonment for one mechanized and two armored battalions, and is being built in the form of a concentrated octagonal city.

The U.S. Army Corps of Engineers, supervising the project for the Ministry of Defense, said costs are in the "range of \$8.5 billion," although informed sources in Riyadh dispute this, estimating that more than \$10 billion will be needed to complete the project by the mid to late 1980s. The military city calls for a permanent population of about 70,000, of whom 30,000 will be personnel on active duty. That is almost the present size of the army.

The whole concept of KKMCC is widely considered to be strategically unsound. Powered by a single 190 megawatt generator, the entire city could be knocked out of commission with a single well-placed charge. "It's a sitting duck," said a European air attaché in Riyadh.

If not a military juggernaut, KKMCC will probably resemble and function as a vast vocational training school, and will fit into the country's development strategy that looks toward the military to help train a capable, indigenous work force. KKMCC, Tabuk and other bases will become places where young Saudis can pick up a useful occupation and learn English.

People Needed

The need for people to man all these military facilities puts pressure on the Saudis to go through with their conscription plans. However, even a Saudi army of 300,000 troops by 1985, as some optimistic press reports estimated last spring, will probably not be enough to staff



Bedouin troops belonging to the elite palace guard of King Khaled.

adequately the existing and planned bases. Despite this, the Ministry of Defense and Aviation only very recently shelved plans for a completely new \$10-billion military city for 90,000-100,000 troops south of Riyadh.

The Saudi military, experiencing a yearly net decrease in the number of its forces, has turned frequently to foreign nations, not only for technical assistance, but also for manpower. Koreans have been enlisted to maintain Saudi naval facilities in the Eastern Province, and Taiwanese and Pakistani technicians form a sizable presence within the Royal Saudi Air Force. In addition, Yemenis have been recruited for some of the more menial tasks at military bases.

The largest and most important military presence, however, is American. This is likely to continue, and be upgraded, despite the differences between the Saudis and Americans over the shape of a Middle Eastern peace. In spite of certain French activity in mechanization and radar programs for Saudi

land forces, American technicians form the technological backbone of the Saudi armed forces. U.S. aid ranges from assistance to the air force to help in creating a multibillion-dollar naval expansion program.

Washington appears to be following the recommendations of an American Enterprise Institute report last year which suggested that the United States "should draw even closer to Saudi Arabia in its defense relations than it is now, and Riyadh should be considered less in regard to the Arab-Israeli conflict and more as a major power in the Gulf." More and more in Saudi Arabia one comes across American military technicians, veterans of Iranian training programs.

Defense of Strait

Earlier this month Saudi leaders told a U.S. delegation that they were now willing to consider military cooperation with the United States, Oman, Kenya and Somalia, are said to have agreed to give U.S.

forces access to military facilities on their territories. But there is still no question of U.S. bases in Saudi Arabia. Next month another 1,800 Marines from the Far East will be joining the big U.S. naval task force in the Gulf region.

While Saudi Arabia has until now refused to be publicly bound to a bilateral defense treaty, a U.S. Army analyst wrote recently that the sale of weapons systems to Saudi Arabia has made the kingdom "so dependent on long-range U.S. follow-on training and support that such arms programs nearly approximate a treaty."

When the Pentagon told Congress of a proposed sale to the Saudis of \$70-million worth of F-15 jet fighter spare engines and modules, the announcement said that the sale "does not represent any significant change in the overall military balance of the region" and would have no effect on U.S. readiness since the engines and modules will come from new production.

Latest available statistics list Royal Saudi Arabian Air Force

strength at 171 combat aircraft, including 45 F-15 fighters, 60 F-5E fighter bombers and 16 British-built Lightning F33 fighters.

Even with continued defense spending and a quantum jump in the number of troops, Saudi Arabia will remain an extremely vulnerable country. Although possessing a vast land area, there is no developed heartland and the limited population is confined to three relatively small areas: Jidda and the southwest near the Red Sea, Riyadh, and the Dammam-Khobar-Dhahran conurbation in the east on the Gulf.

Fuel Shortages

There is no industrial heartland to speak of, and the oilfields of the Eastern Province are the very heart and nerve center of the Saudi economy. The refineries, pipeline, wells, and gas collection system are the most delicate of all industrial installations and are a permanent security nightmare for the Saudis. An accidental explosion at Ras Tanur,

the country's largest refinery, late last summer caused serious temporary shortages of aviation fuel and forced the closing of the refinery for three days.

The fact that underpins all else is that the security of Saudi Arabia, its extensive ruling family that harbors a deep suspicion of Communism and social upheaval, and the precious oil fields are pre-eminently concerns of the industrialized nations. Saudi security is too important to be left to the Saudis, although they are having a good and expensive shot at developing that and where they can. For the foreseeable future, the kingdom will remain more than ever dependent on American back-up forces for its ultimate security.

"You have to realize," said a U.S. official in the kingdom, "that the important decisions about Saudi Arabia are going to be made in Washington and Moscow." Pointing to a map of the Arabian peninsula, he added: "Any threat to this country and to the Strait of Hormuz would be tantamount to World War III."



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Saudi-U.S. Diplomatic Relations Evolve Toward Complex Quid Pro Quo

By John Close

RIYADH (IHT) — When asked to declare his support for the David peace process at the summit meeting in Baghdad March, Crown Prince Fahd told his envoys, "You must give something that I can hold in my hand."

This has been his constant plea to him and his brother, King Khalid, took over the government after the assassination of King Faisal in 1975. Saudi Arabia, he believes, can only align itself with the West when it can deflect radicalism by pointing to tangible proof that it is not being used.

Saudi Arabia knows that the United States no longer sees it as, in words of a Nixon administration official, a geopolitical obscurity. That such a realization can be considered progress in Saudi eyes is because of how laborious has been the growth of the so-called special relationship, hatched at its inception both countries as an unbreakable partnership.

Pro-American Saudis in the royal family and the government are aware that there is less and less support in Riyadh and Washington that one could survive without the other, but they know the relationship is nowhere near as intimate as that between the United States and the nations of Europe.

Complaints Voiced

Saudis often express exasperation at whatever the American leadership needs them, they are bombarded with demands to declare support for U.S. interests, whether it be in Angola, the Sudan, the Yemens, Iran, David or Iran. They complain of a hamfisted Washington, too ignorant of Saudi Arabia's delicate position in the Middle East to often prove acutely embarrassing.

United States diplomats here, on the other hand, say they are not aware of reminding the Saudis that there is a price to be paid for an American responsible not only for air protection but for that of the tire non-Communist world as well. If this price is \$300-million with of cheap oil a day, or an occasional red face at Arab summit settings, so be it.

When asked what form American protection might take, Saudi officials quickly say that they are trying to protect themselves. A senior government official revealed that plans are moving ahead for a crude pipeline from the vast eastern oilfields through Oman to the Arabian Sea. Construction of two pipelines, one for crude and one for natural gas, is already proceeding apace on the Eastern Province across a peninsula to the Red Sea port of al-Jubail where an industrial city is being built from the ground up.

Virtually all of Saudi Arabia's oil flows through the narrow Strait of Hormuz, but when the east-west pipeline comes on line in 1981, an additional 1.85 million barrels a day will

be funneled through the Suez Canal and the Sumed pipeline to the Mediterranean and the West. By 1982 it will be carrying 2.45 million barrels a day and Sheikh Hisham Nazari, the minister of planning, said recently it will eventually have a capacity of 3 million barrels a day.

The Omani pipeline will also be designed to carry 3 million barrels a day. The country's ruler, Sultan Qaboos, has already agreed to the plan, a Saudi official said, and has stipulated only that it should not pass through the unstable Dhofari country.

To raise the question to Saudi officials of a U.S. military presence on Saudi soil is to risk being politely but firmly shown the door, although the kingdom has recently shown more willingness to cooperate militarily with the United States in the Gulf, especially since the fall of the Shah of Iran and the Soviet invasion of Afghanistan.

In the event of an invasion by a foreign power, officials say, American troops may take time to get to the battlefield but they will come and, God willing, they will win. If the oilfields are attacked by terrorists it will most likely be a hit-and-run strike, they speculate, in which case 1,000 technicians will be more valuable than 10,000 U.S. troops.

What is becoming uncomfortably clear, however, is that the most likely attack will come from within. The raising of the banner of Islam just across the Gulf has not been without repercussions on the Arabian Peninsula. The seizure of the Grand Mosque in Mecca, Islam's holiest shrine, on Nov. 24 by a band of religious zealots has profoundly shaken the royal family. The group demanded an end to such heresies as soccer, radio, television, and the employment of women. Plus royalists who attacked the House of Saud where it felt the most invulnerable and was thus the most vulnerable.

Bulk of Troops

With the bulk of Saudi troops concentrated in Mecca, where the last of the had held up in the catacombs beneath the mosque, the Shiite community in the Eastern Province decided their moment had come. Their leaders told the Saudi government they planned to observe the Ashura of Muharram, the 10th day of the Moslem month when Shiites mourn the death of Hussein, the Prophet's grandson, with marches and public self-flagellation. They were told that what they did in their own villages would not be grounds for official intervention but that, should the demonstrations spill over, the government would take action.

In Sayhat, a small community 50 miles from the Ras Tanurah oil terminal, Saudi soldiers were sent in to quell the demonstration on Nov. 28 but they could not dampen the crowd's fervor and when the dust settled, two people were dead.

There were also reports of riots in Qatif, an oasis near the city of Dhahran.

To be a Shiite in Saudi Arabia has been reason enough to be jailed. There are 80,000 in the Eastern Province, 7,000 of whom make up more than a third of the Aramco labor force. They have been under increasing scrutiny since the revolution in predominantly Shiite Iran but this time they did not keep quiet.

With unrest among its own people evident for the first time, Saudi officials say, ominously, that they may need U.S. help sooner than expected. One who has always looked to Washington is Crown Prince Fahd.

In the councils of his own government, if not in the more exposed arenas of other Middle Eastern capitals, the crown prince is openly and unflinchingly pro-American. Earlier this month he said that he hoped President Carter would be re-elected.

In 1973, as the government was

about to announce the oil embargo against the United States, he sent urgent private appeals to Washington not to misunderstand.

In 1974, when his trip to France sent rumors flying that the Saudis were outturning a European alternative, he cabled assurances that no such abandonment of America was contemplated.

In 1976, he split OPEC by refusing to accept a 12.7 percent increase in the price of oil and ordered a rise in production to depress prices, only settling for a 10 percent compromise after the technical strain caused two oil fires. Last year he ordered the production ceiling of 8.5 million barrels a day to be raised by a million barrels to help, he said, Saudi Arabia's friends.

Unlike Crown Prince Fahd, King Faisal was not averse to showing America he would not be rushed. Once, as Henry Kissinger and entourage, glancing at their watches, prepared to leave a state dinner in Jidda for the next stop on their tightly scheduled shuttle, a long

bony hand reached forward and grasped an apple. The 150 guests were forced to watch in silence as the king meticulously peeled, and ate it, piece by piece.

King Faisal tirelessly repeated his tenet to anyone who was there and had to listen, that "Zionism and Communism are one," and his wish to pray at Jerusalem's Dome of the Rock once before his death. The United States may have the support of the man who, after Faisal's death, will be the most powerful in the kingdom, but after the Baghdad summit meeting it should also know that Saudi Arabia is still committed to the Palestinians and to Jerusalem.

The kingdom sees itself, say members of the royal family and officials with established access, as the only Arab state whose support of the PLO is unalloyed with ambition. Syria, they say, will support a Palestinian state only if it has the whip hand from the beginning. Egypt, in their view, is out to regain the Sinai, and Jordan wants to win

back the West Bank. If Saudi Arabia's sincerity cannot be proved, what is certain is that, as guardian of the two other holy cities of Islam, Mecca and Medina, and as a vulnerable oil producer, it has much to gain from Jerusalem and a Palestinian state.

Sol Linowitz, Mr. Carter's special envoy to the Middle East, briefed Prince Fahd earlier this month on U.S. efforts to get Israel and Egypt to agree on a formula for Palestinian autonomy.

As the principal exponent of Saudi Arabia's pro-American policy, Crown Prince Fahd was rumored to be in decline after the Baghdad meeting, but events in Yemen and Iraq have proved that he is as indispensable as the United States he represents.

When fighting broke out earlier this year between the two Yemens, the Achilles heel of the Arabian Peninsula, the United States responded to Saudi requests for help with 12 F-5 fighter planes, 100 armored personnel carriers, two C-

130 transport planes and two radar reconnaissance planes. All this after timorous British and French suggestions of training assistance.

U.S. diplomats believe that the airlift made "believers" out of the Saudis. Minister of Defense Prince Sultan is singled out as an example of one who, having doubted America, is now convinced of its reliability as an ally. Although the horse trading is never specific, U.S. officials say that, had the United States not come through with the goods, there would have been no increase this year in Saudi oil production.

However, since the airlift, Prince Sultan has announced that he, at least, does not favor producing extra oil after the first of the year. Southern Yemen has signed a treaty of friendship with the Soviet Union, and the other Yemen has begun accepting delivery of Russian arms. And the Saudis are beginning to wonder whether the tanks, useless in the mountains of Yemen, and the F-5s, utterly beyond the technical ability of the Yemenis and finally

flown by the Taiwanese, were worthy of the fanfare which accompanied them.

Saudi Arabia's response to American requests for help over the seizure of the U.S. Embassy in Tehran has, American envoys say, made believers out of those in Washington.

The White House has been in daily contact with the Saudis since the crisis began. Mr. Carter's emissary, former ambassador to Egypt and Saudi Arabia Herman Eilts, was welcomed in Jidda in mid-November for an unpublicized meeting with the crown prince and diplomats say it was at Mr. Carter's request that the Saudis arranged for the PLO to plead America's case before Ayatollah Ruhollah Khomeini.

Although its attempt failed when it was brushed aside by the ayatollah, the effort itself is regarded in official U.S. circles here as proof that the special relationship between the United States and Saudi Arabia does work.

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Wealthy, Confident Facade Hides Many Growing Fears

(Continued from page 7S.)

Two countries are not always both. Conflicting interests have complicated the question. Saudi rulers have been reluctant to build up a big army, and they have not allowed the United States to establish military base on their territory. So, they held up U.S. arms for the Yemen, creating a vacuum.

The Saudis feel that America's interests lie in the Arab world, not in Israel. They resent the David agreements which might about a treaty between Egypt and Israel, as a dividing factor on the Arab scene. They remain committed to the creation of a Palestinian state and the recovery of Jerusalem from Israeli control. If this means that Saudi Arabia is merging more and more from its regional shell, active on the world scene in several ways, and difficulties have been shed aside in favor of a friendly direct approach.

The Saudi foreign policy is conservative and strongly anti-Communist. All actions reflect deep commitment to Islamic solidarity, and Saudis are spared to achieve that. But the Arab world, despite its unity, is fractured. Saudi Arabia here and there, the Saudis have not been able to eliminate the conflict of the conflict. It is shaking Arab unity.

It is very much used as a power-Saudi leverage. Saudi envoys crisscrossed Western Europe to drum up support for the Palestinian cause. One reason for this, diplomats say, is the oilfields' vulnerability to possible sabotage. There are 50,000 Palestinian workers in country and some Saudi officials view them as a potential fifth column for the more radical PLO men. The result is likely to be a series of bilateral agreements in Saudi oil in exchange for a more active European role in favor of Palestine Liberation Organization.

In this respect, the United States presents a permanent problem to Saudi policy-makers. Despite Saudi Arabia's enormous importance to America, Washington has not been in position to make tangible concessions on the Palestinian question. The Saudis realize that the

Finns to Survey Bed of Red Sea

RIYADH (IHT) — Geotek of Finland has been awarded a contract to map the bottom of the Red Sea in Saudi waters.

The survey is expected to take two years and will include the entire coast, reaching 65 kilometers out to sea. The vessels will be supplied by Rauma-Repola and electronic gear by Sahkolik-Leiden, both Finnish firms.



Port Traffic, Unloading to Be Regulated by Computer

By Mary Jo McConahay

JIDDA (IHT) — From his glass-crow's nest above the administration headquarters at Jidda's port, Fayed Badr, 43, looks out over clear blue channels, clean quays, and at the orange cranes unloading containerized cargo from a dozen big ships.

Last year this port, which handles 85 percent of the food imported to the kingdom, and a huge amount of the construction material for devel-

opment projects, handled more than 10 million tons, and no ship had to wait. Port expansion, from 10 berths in 1976 to 43 berths today, has cost more than \$1.2 billion, and at Dammam, on the east coast, the port is even bigger. Expanded harbors at Yanbu and Giza have taken the pressure off the kingdom's major harbors.

The view from the crow's nest looks far different today to the scene, only three years ago, when Mr. Badr took over as head of the

Ports Authority. That was the year when the development boom became too much for the nation's nascent capacity. Ships were lined up out to sea on both coasts for two to six months at a time, sometimes with their cargoes spoiling, and always racking up demurrage and congestion charges that were passed on to the Saudi public. Because the ports were packed and slow, the economy faced shortages, speculation in vital commodities, and a dramatic increase in inflation.

To change the ports from the antiquated bottlenecks into the efficient systems they are today, Mr. Badr used what he himself calls "the application of American principles of management." Others say he forced into operation a series of draconian measures.

Vested Interests

His first moves were considered dramatic at the time, and often disturbed vested interests, but are now accepted. To end the abuse of port warehouses as rent-free storage by consignees, for instance, and to clear the chaotic quays, Mr. Badr declared that all cargo not claimed within 15 days of delivery would be auctioned off, then surprised complacent businessmen by doing just that.

He introduced a "rebate system" whereby consignees who meet the ships and offload their goods into their own vehicles are charged only 50 percent of the port duties. Today rickety flatbeds and new large capacity trailer trucks alike can be seen pulled up to ships alongside cranes and palletizing equipment, ready to save their owners' money.

There is one obstacle to efficiency over which port authorities have no control. In a move this year to capture illegal cargo, specifically liquor and firearms, the government is requiring 100 percent inspection. In the case of containerized shipments, which Mr. Badr is trying to encourage, this means virtually unpacking the goods in port. A containerized ship may take only a fifth of the time of a conventional cargo to unload — but advantage is lost with the arrival of intrepid customs crews.

"It is a handicap we must learn to live with," an official said.

Since the ultrastrict customs inspections began in April, Jidda has experienced its first delays since the dark days of port congestion in the

mid-1970s. To counter the measure, authorities are encouraging shippers to use a new 4-door — instead of 2-door — container, which has become known already as the "Saudi box." Because it can be opened from both sides at once, yet still be handled by present equipment, the "Saudi box" will save time at the hands of inspectors. Shippers, not unnaturally, do not appreciate the solution. The "Saudi box" may cost 20 percent more than conventional containers.

Computer Link

Today Mr. Badr and his staff are putting their energies into streamlining operations, including a program to computerize the entire port system. The first phase — at Jidda — is expected to be operational by the third quarter of the year. Dammam then will be linked into the computer, with Yanbu, Jubail, and the other ports to follow. Greater efficiency is the aim, but just as important is the saving in manpower, almost all of which must now be imported.

Two floating drydocks for ship repair are under construction, and automation is everywhere. The best in port technology is evident in the shorehouses, on the docks, in the highpower, firefighting sloops. Again, saving manpower is a high priority.

Like so many of the other necessities of Saudi life, the ports are subsidized. The charge to consignees for all goods except automobiles is only 15 riyals a ton. The budget still comes from the finance ministry, but Mr. Badr said the system could and should pay for itself. While the port of Jidda made only 10 million riyals three years ago, in 1978 revenues jumped to 500 million riyals. Costs, however, were about 1 billion riyals.

"As an economist, I don't like the idea of charging half the going world rate," Mr. Badr said.

Unsafe Highways

Now that the ports have been cleared, the transport emphasis is on the highways. Roadbuilding in the hinterland is intensive, and long-time residents can get lost any day in the cities, confused by new overpasses and street-widening projects. Despite steady progress on the highway network, including some spectacular engineering in the mountains of the south, the open

road is widely considered a death-trap.

Highways are narrow, and not designed for the kind of traffic they are being forced to handle. In some areas, roads are still simple strips of asphalt poured over the dunes to facilitate oil operations or construction projects, but have become used for heavy general traffic with the rapid increase in the country's vehicle population.

Speeding and reckless driving — especially by drivers over 40 who may have never bothered to get a license — are major constraints on an efficient inland transport. And as an officer of a trucking company remarked, "Just like any new project anywhere in the world, it always seems that the site is ready but the road isn't."

Major transport firms cannot compete with local owner-operators. While established foreign companies have gone into joint ventures with Saudis in order to operate overland lines here, the domestic trucking industry is not decisively in the hands of the independents, speeding along in the Daimler Benz 1924s.

These entrepreneurs eat and sleep in their trucks, invariably undercutting the majors in price and time. Extra trucks may be driven by family relations, but independent fleets seldom number more than four or



Unloaded cars on dockside awaiting delivery.

five vehicles. The wildcat operators now account for more than 70 percent of truck sales in the kingdom. The majors call them "cowboys" and insist the owner-operators violate safety and traffic laws, as well as royal decrees regarding max-

imum gross weight (40 tons), legal driving shifts (10 hours maximum) and the rule that says a vehicle may haul no more than one trailer on public roads. Invariably, their trucks are overloaded, one of the causes of the potholes, cracks and

damaged shoulders that pock the kingdom's highways. But as long as the transport code is unenforced in the frenetic and lucrative push for infrastructure construction, the independent Saudi "cowboy" will remain king of the road.

Petrochemical Success Story Ought to Impress Skeptics

DAMMAM (IHT) — Saudis have a petrochemical success story to show skeptics who doubt the wisdom of their new industrial plans.

The Saudi Arabian Fertilizer Co. (SAFCO), a publicly held firm under the direction of the Saudi Arabian Basic Industries Corp. (SABIC), has also given the first lessons in how to operate a modern heavy industry in this desert state. After nearly a decade of shutdowns, modifications, management problems and marketing disappointments, it has emerged a winner. This year the plant will produce 290,000 metric tons of urea, above target for the second year in a row.

The industry's general manager, Ahmed Qidwai, has streamlined the Eastern Province operation considerably since 1977, when the government ended a stormy relationship with Occidental Petroleum Co. of Los Angeles. According to Qidwai, SAFCO will post a profit of about 35 million riyals (about \$118 million) this year. As recently as 1976, the company ran a loss of 26 million riyals.

SAFCO's early troubles hold some lessons for the future of the kingdom's industrialization plans. While production came on stream in 1970 just in time for the bottom to fall out of the world urea market, there were serious problems at home. The technology for the new plant had been imported wholesale, with little scope for modification to suit harsh local conditions, including the poor water quality. Corrosion quickly ate into production, for instance, and a system which used water at 90 degrees Fahrenheit was ineffective in this hot and humid coastal city, where water could not be cooled below 97 degrees for five months out of the year.

Today Saudi Arabia and other Gulf countries are being regarded as potential major sources for nitrogen fertilizers. There are gas, sulphur and

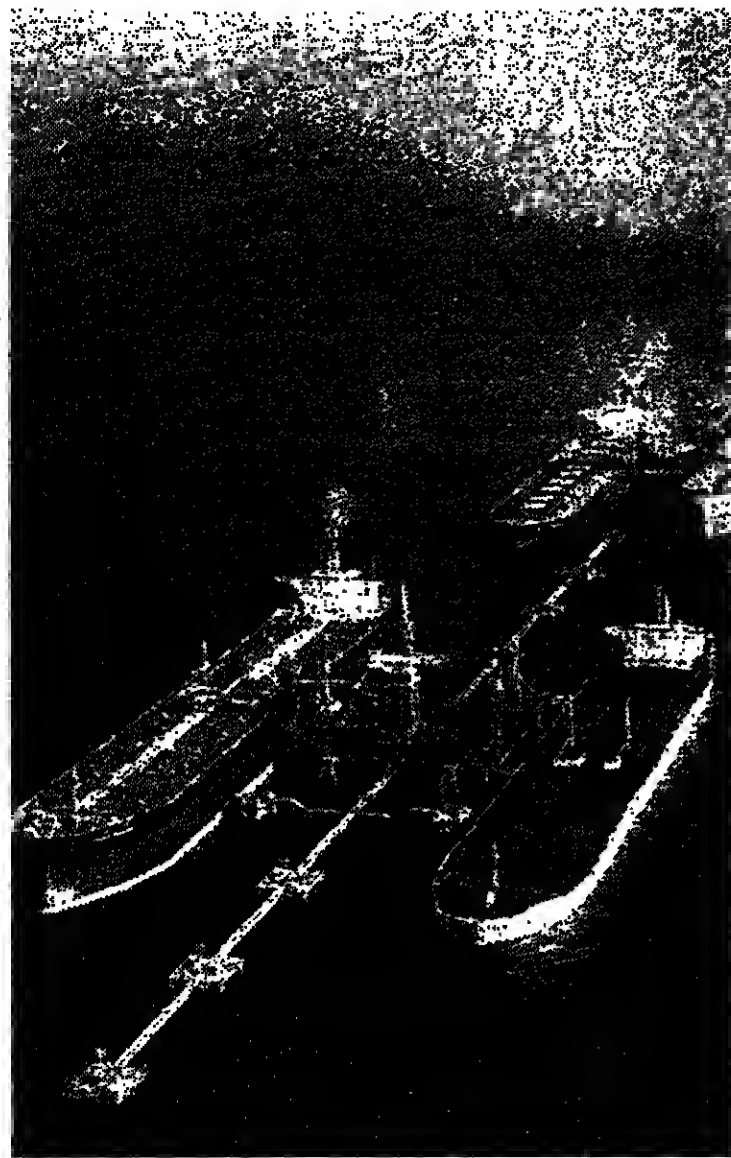
hard capital in abundant supply, and now, with SAFCO in the lead, a growing trend toward technical cooperation among the Gulf states, often sparing newcomers the difficulties experienced by the pioneers.

In fact, one of the reasons for SAFCO's success is this cooperative effort with other regional producers — Qatar, Kuwait, Iraq and Iran — in a loose union called Gulfert. The group is not a urea cartel, nor does it intend to be. Yet Gulfert may be an important first step in the direction of Gulf industrial coordination, a necessary development if Saudi and other Gulf petrochemical industries are not to fail as a result of duplication and cut-throat competition.

Gulfert began informally, with companies discussing day-to-day common problems of operating a new generation of ammonia plants — technological problems which stymied some companies in industrialized nations as well. Progress toward marketing coordination was inevitable. A joint approach to base prices has emerged, and companies meet regularly to discuss response to major tenders within the natural marketing area of the Gulf, including East Africa, the Indian subcontinent and the Far East.

The SAFCO experience will come in especially handy when the \$300 million urea plant is built at Jubail. A 50-50 joint venture between SABIC and the Taiwan Fertilizer Company, the 300,000-ton per year production is export-oriented, although the Chinese intend to take a large measure for their own use. When Minister of Industry and Electricity Ghazi Al Gosaibi congratulated SAFCO workers on their high production rates earlier this year, he made clear the relationship of the established industry to the new venture.

"I look forward to seeing the leadership of the new complex in the hands of the qualified Saudi youth who received their training in this company," Mr. Al Gosaibi said. M.J.M.



Offshore oil tankers at Ras Tanura.



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Kingdom Seeks Industrial Power

By Mary Jo McConahay

RIYADH (IHT) — "Eventually not one drop of oil or one whiff of gas should leave our shores unprocessed," a senior government official said. Saudis are adamant about using their vast supplies of oil, gas and hard cash to turn the desert kingdom into an industrial power.

Planners have long recognized that refined oil is more precious than crude, and petrochemicals 10 times as valuable as refined products. Continuing to ship out depleting resource raw, they say, is as unwise as the line owner who sends off his ore in boxcars when he is the ability to shape the gold into filigree — and sell for 100 times more.

The heart of Saudi hydrocarbon industry plans is a gas-gathering project scheduled for completion in 1982. About 3.3 billion cubic feet a day is targeted for collection. At new complexes at Jubail and Yanbu, the gas will be the raw material for seven world scale petrochemical projects.

Joint Ventures

The plants at both future industrial cities are 50-50 joint ventures between the Saudi Arabian Basic Industries Corporation (SABIC) and various foreign partners. In November SABIC met in the capital with a delegation from Japan to sign the first of the final agreements — for a methanol plant at Jubail with a rated capacity of 600,000 tons a year. Tagged at a cost of 900 million riyals, the plant is due to come onstream in 1983. SABIC's foreign partner is a consortium headed by Mitsubishi Gas Chemicals.

Almost at the same time, SABIC signed an agreement with the Taiwan Fertilizer company to build a 300-million riyal plant to produce 500,000 metric tons a year, also at Jubail.

Saudis considered these as milestone deals. For about two years principals have been hammering out details on all the projects, which appeared to move slowly until Riyadh began to show its impatience.

Earlier this year, the ministry of industry, Mr. Ghazi Al-Gosaibi, technocrat, poet, and graduate of the University of Southern California, finally declared: "We shall go on implementing all our industrial projects in Jubail and Yanbu with international partners — if the international partners so wish — and without partners if they forsake or hesitate."

Japanese Doubts

Today only one of SABIC's planned petrochemical industries — for an ethylene plant to be built at Jubail by another Japanese consortium — has failed to reach final agreement. The Japanese companies have serious doubts about the economic viability of the project, but pressure from their government in Tokyo seems to be pushing this one closer to accord.

Meanwhile, the delay on the other agreements — with partners including Exxon, Shell and Mobil — lies with the thorny question of oil entitlements, the crude supplies to be guaranteed to the foreign partners in exchange for their participation in the grand industrial projects.

The question is not whether guarantees should be granted — the planners know the kingdom cannot go without the experience, technical know-how and marketing expertise of foreign partners — but how much oil entitlements should be. Amounts reported under

consideration range between 150,000 and 250,000 barrels a day. A formula has apparently been worked out where foreign firms would be entitled to purchase 1,000 barrels a day for every \$1 million invested in the equity of a project.

Common Sense

One heavy industry at Jubail which does not involve entitlements went from the drawing board to the field earlier this year amid pomp and ceremony. Princes, technocrats, businessmen and oil executives gathered at a remote patch of desert to lay the foundation stone for a steel mill costing 10 billion riyals, a joint venture between SABIC and Korf Stahl A.G. of West Germany. The mill will produce 850,000 metric tons a year of steel by the Midrex direct reduction process, tapping the abundant local supply of natural gas. Iron ore will be imported at first, but may someday come from domestic deposits in Wadi Sawawin, while supplies of other raw materials — iron scrap and limestone — are locally available.

Despite the grandeur of its plans, Saudi Arabia is tempering its industrial decisions with common sense. Plans for a 225,000 tpy aluminum smelter at Jubail were canceled after Riyadh took a second look at competition from existing plants around the Gulf. Instead, this summer SABIC bought a 20-percent share in Aluminum Bahrain.

Although Saudi resolve is strong, the constraints on the dream of industrial power are grave. There is already a worldwide overcapacity in refineries and petrochemicals.

Typically, Mr. Al-Gosaibi has an answer: "The producers of petroleum and gas are more entitled to petroleum and gas-related industries than a state separated by thousands of miles from the nearest oil well," he said.

Nevertheless, virtually no indigenous professional-technical cadre exists, and manpower in general is scarce. A hot, harsh climate with high salinity in the air and water lower efficiency and increase maintenance costs. Construction and starting expenses too will be high as will transportation costs because of the kingdom's long distance from world markets and sources of supply.

Local Subcontractors

Officials believe these handicaps will be offset by the availability of oil and gas, and that manpower is being trained as quickly as possible. Contractors also admit that they often overestimate difficulties here before their first jobs.

And the policy of breaking up big infrastructure contracts at Jubail and Yanbu to enable local firms to participate appears to be working favorably for the future. The more subcontracting and supplying that can be done by local firms, the more secure in the long run the industrial dream becomes.

Perhaps the hardest battle of all will come when the Saudis try to market their products and must face tariff and other barriers from the West. They have, of course, a sort of ultimate leverage. More than one official has intimated that in the face of resistance, purchases of Saudi refined products and petrochemicals can be tied to purchases of Saudi crude.

As Mr. Al-Gosaibi pointedly remarked: "If industry is good, why should our people be deprived of a good thing? If industry is a burden, we are ever ready to help the industrial states in carrying this burden."



Characteristic desert fires will vanish when Saudis harness their gas.

Taming Natural Gas Becomes Economical

DAHHRAN (IHT) — Saudis believe that despite the astronomical costs, harnessing their natural gas has become more economical than burning it off, as they have been doing for the four decades since oil was discovered.

The huge gas-gathering system under construction across the Eastern Province is to be the backbone of Saudi Arabia's industrialization plans.

This project means that besides its position as an oil giant, the kingdom will become the world's largest exporter of natural gas liquids (NGL). By 1982 the collection target is 3.3 billion cubic feet a day.

Besides the NGL, 1.9 billion cubic feet of methane and 360 cubic feet of ethane a day will be extracted from the wet gas, to be used as fuel and feedstock for the heavy industries and petrochemical plants planned for the multibillion dollar complexes at Jubail and Yanbu.

According to officials at Aramco, which is managing the project for the Saudi government, construction is ahead of schedule. Major American contractors are involved, including Fluor, Bechtel, Parsons, Chicago Bridge and Iron and Foster-Wheeler. Manpower, mostly from Asia, has now reached about 20,000 men in the field. The cost is enormous. Aramco and the government have been excessively shy about revealing figures. Mr. Abdul Hadi Taher, governor of Petromin, the Saudi government organization which will market the NGL, has said the cost will be "in excess of \$12 billion." Other informed sources said costs have already topped \$20 billion.

Apart from a field of methane in the Empty Quarter which has not been developed, Saudi gas is associated gas, a previously expendable byproduct of extracting oil. Today, however, economists here are looking forward to the time when the characteristic bright red pillars of flaring gas disappear forever from the desert fields.

At a recent conference in Houston, Mr. Taher said that about half the collected gas would be used for domestic needs. These include fuel, feedstock for chemical fertilizer and petrochemical industries, power for the growing network of desalination plants and burgeoning electricity grid. The other 50 percent of gathered gas can be liquefied easily and transported, and will leave from special ports as butane, propane and NGL for world markets.

Petromin has got its feet wet in gas marketing by exporting modest amounts for LPG since January. In Houston, Mr. Taher suggested that since LPG was a byproduct of oil production, coordinating its price should be a matter of OPEC's consideration.

Once the gas-gathering system is working, it will function with oil production of only 6.2 million barrels a day, far less than the current level of 9.5 million barrels. At present, gas is scheduled for collection only from onshore fields — Ghawar, the largest in the world, Abqaiq, and Berri. As needs grow, however, offshore fields will almost surely be tapped. According to Aramco, about 800 million cubic feet a day of wet gas could be collected offshore.

Because the oil fields are in the Eastern Province, most of the gas construction activities are at sites here near the Gulf coast. At Berri, the completed facility near Jubail, and at Sheddum and Ju'aymah, the gas will be treated as separated from the NGL and some of it fractionated at Ju'aymah.

On the west coast however, at the new industrial complex site of Yanbu, an NGL plant is under construction to receive NGL via a 725-mile pipeline, perhaps the most intriguing element in an engineering project that is vast, but otherwise unremarkable.

This transpeninsular gas line will run side by side with one carrying 3 million barrels of crude oil a day from eastern fields. Until the NGL plant at Yanbu is complete, only methane will be run through the NGL line to fuel the pump stations along the twin pipes, now about 50 percent complete. In this way the system will also begin transferring almost a third of the kingdom's daily oil production to a new — and some consider less vulnerable — outlet on the Red Sea.

—M.J.M.

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Imports of Food Are Soaring

By Mary Jo McConahay

RIYADH (IHT) — Saudi food imports are soaring, despite efforts to increase its own production. The annual bill stands at more than \$3 billion.

Supermarket chains are appearing across the land, and newly affluent Saudis are developing a taste for foods their parents never heard of. Another reason for sharply rising imports is the need to feed at least 2 million foreign contract workers.

The United States is a principal supplier. A Washington official said there have been "spectacular gains" in U.S. exports of rice, wheat, and the gamut of processed foods to Saudi Arabia, and estimates the Saudis may buy \$500-\$600 million of U.S. commodities this year, up from \$171 million only two years ago.

The government is trying hard to hold this down. At the moment there is a six-month strategic reserve of wheat. Grain is bought by the state-owned Grain Silos and Flour Mills organization at four times the price of imported wheat, to encourage farmers to bring land under cultivation and increase output. At the warehouses at Jeddah's Port the visitor can see the last of the white sacks of flour that were ordered from America before imports stopped. Now only bulk grain is delivered, to be processed and stored at oen plants across the country.

Easy Credit

Last year the Saudi Arabian Agricultural Bank, founded in 1973 to provide easy credit for farmers and fishermen, gave out over \$375 million, up from only \$10 million in 1973-74. The Ministry of Agriculture and Water is paying all costs, including monthly stipends and a yearly ticket home, for Saudi farmers willing to study advanced methods abroad. The states give out seeds, seedlings and free advice by foreign experts, and bears a major part of the costs of farm machinery.

Yet agriculture in Saudi Arabia is hindered by some fundamental problems that even fabulous wealth will not solve quickly.

Land holdings are being fragmented into less economical smaller parcels, while spreading development — housing, road, civic facilities — often takes over the previous little arable turf around the towns and villages.

• Natural irrigation sources are few. There are no year-round lakes or rivers in the entire country. Water comes from underground aquifers, which can become permanently useless unless they are tapped at a conservative rate, from oasis springs which may be inadequate for more than small scale farming, or in the case of the lucky Asir province, from seasonal rains trapped in the mountains of the southwest.

• Saudis themselves do not want to work on the farm. Traditionally those with desert or merchant backgrounds consider it undignified labor, while established communities based on cultivation are being eroded quickly by urban migration and the availability of higher paying jobs with oil and construction companies.

• Searing heat waves, drought and infestations of locusts are plagues that continue to worry farmers, as well as livestock breeders and potential agricultural investors.

Arable Land

Radical changes have been called for to make farming viable in this vast desert country, where only about 12 percent of arable land is being worked. Research at the ministry of agriculture has shown a full 1 million hectares of land in the kingdom is waiting for development. Some officials feel self-sufficiency is needed urgently to prevent the West from someday using food as a political lever.

The solution most often proffered is a change from small holdings to mega-farming, from the fisherman in his own single boat with a few family members as crew to fleets of trawlers.

According to an aide in the min-

istry of planning, farmers leaving the land pose no problem in the economic sense. Instead, the agricultural sector harbors disguised unemployment.

"With mechanization and technology we can produce what they produce now with one-third the number of people," he said. "Freed from the land, these workers can move into other jobs where we need them more."

Grand Scale

Government projects are on a grand scale. A development program planned for the Wadi Dawasir area in the central-south part of the kingdom is intended to change methods there from primitive to advanced farming and help provide the kingdom with self-sufficiency in wheat. In Al Hasa, considered to be among the world's largest oases, experts from Taiwan have been working with farmers to increase rice production. The kingdom is developing a deep sea fishing fleet of 100 10-meter boats, plus several experimental ships. The government wants to add protein-rich fish to the regular diet of those in inland towns and villages, where it is now considered a rare delicacy.

Probably the most successful agricultural effort undertaken by government and private sector as well are poultry and dairy farms. Increased local production has had a stabilizing effect on prices. By next year, predicts the Saudi Arabian Monetary Agency, there will be 92 agro-industrial factories in the kingdom with an invested capital of 480 million riyals and a work force of 5,300.

While Riyadh would like to see big agro-business provide its food supply, the small farmer has not been forgotten, but is being urged to revamp his operations if he wants to stay on the land. Nabil Yahya Abdullah, dean of the School of Agriculture at the University of Riyadh, suggests Saudi farmers should be helped to develop drip and sprinkler irrigation systems in place of the commonly used open channels, where evaporation under the sun sucks up too much of the water before it even reaches the plant. For marketing, he says, small Saudi holdings should resort to a central private organization to take care of collection, transporting and selling produce, in the pattern of American farm cooperatives.

Germans, Greeks, Pakistanis

Manpower Snags on Tower of Babel

By John Close

JIDDA (IHT) — Work in Saudi Arabia is like trying to get something done at the Tower of Babel — American construction managers explaining German designs to Greek engineers overseeing Pakistani laborers.

Doing business is risky and frustrating. An Englishman who heads his own electrical engineering company came to the kingdom earlier this year, attracted by plans for a \$30-million joint venture with a Saudi company. Again and again, he was sent back to his \$150-a-day hotel room with orders to draw up cheaper, more efficient plans. The strain of unreturned telephone calls, arguments with taxi drivers, heat of 110 degrees Fahrenheit, and empty Saudi offices, piled into insignificance before the final blow.

The company thanked him very much for his designs and announced it was placing them in the hands of a Saudi company, owned by a relative, with which it had that morning signed the \$30-million joint venture.

The Englishman could console himself with the knowledge that having a man on the ground here is the sine qua non of doing business for, as he was about to walk out the door of his hotel, the manager handed him a \$200,000 contract for the repair of his decaying electrical system.

Government contracts are lucrative and private sector work is less competitive, so it would seem that there is something to suit everyone. But the government, with its unpredictable pay schedules and baffling political intricacies, and the private sector, with its inefficiency and inexperience, have sent many a contractor home to more familiar haunts, shaking his head in disbelief.

In addition to the pitfalls which have always made life difficult here, it is becoming increasingly clear that the boom years are over, if only because Saudi Arabia is winding up its second five-year development plan.

No longer is money here for the plucking, although this is not to deny that expensive projects such as the expansion of the automatic telephone system and the construction of the huge new airport have only just begun.

For the first two years of the plan, the kingdom had trouble spending its budget but during the fiscal year that ended in May, it overspent by 13 percent and there are those in the government who say the country can no longer afford to entertain the notion of becoming a fully industrialized nation by the turn of the century.

Foreign exchange expenditure (a more accurate measure of spending since unlike the budget it takes into account defense projects, public funds and work contracted during previous fiscal years) exceeded revenue by more than 20 billion in fiscal 1978-1979.

The state reserves have been drawn down by well over the published figure of 9.9 billion riyals and this in a period when government agencies were told not to spend more than 70 percent of their

allocations, a directive which wreaked havoc with balance sheets of contractors.

It was mainly to slow down the demand for dollars and the consequent drain on the state reserves that the kingdom recently announced that contracts over 300 million riyals would be in dollars rather than riyals, a practice which had contributed to the internationalization of the riyal and to excessive liquidity in the banking system. Bankers, whose days are filled mainly by contract financing, are facing cash-flow problems with interbank lending rates hovering between 11 and 13 percent.

As the government becomes less of a gold mine for foreign contractors, there is little comfort to be found in the private sector. A confidential report prepared for the government on private sector potential contains little good news. The survey found that every area of private business is crippled by inadequate manpower, meager financing, poor marketing skills, a lack of information and consultation, and complex, often contradictory, government regulations.

The latter hurdle is well known to the foreign contractor. Not the least of his problems is finding out what work is coming up and, if and when he does, he faces the daunting task of figuring out how to get it.

The rules for tendering are soon to be updated but as they now stand, and as nearly as they can be understood, a company must first pre-qualify with as many ministries as possible. Almost all government agencies have the power to award contracts. If this is not done, the company will be ignored. Theoretically, all a company has to do is submit pre-qualification papers and await invitations to tender, but each government agency has its own documents and each its own list of companies. These papers must be submitted on time and the government often allows less than a month's grace period, a rule which has brought some contractors rushing to the kingdom on chartered planes.

All companies bidding for work must have a Saudi agent whose commission is, on paper at least, limited to 5 percent, though defense and government-to-government deals are excluded.

Companies who have won a contract must submit both a bid bond of either 1 or 2 percent of the value of the contract and a performance bond of 5 percent. Contracts are generally fixed price, although escalation clauses are not uncommon. If a company falls behind, it faces fines of 4 percent of the value of supply contracts and 10 percent of the value of public works contracts, unless the delay is the result of circumstances beyond his control. These laws leave undefined.

There is a bewildering array of minor regulations. At least three Saudi firms must tender for food procurement contracts. Three or more "specialized companies" must bid for operation, maintenance or drilling work. In arms deals spare parts may be purchased directly regardless of the expense. The list goes on.

All documents may be submitted in English.

Roof Over Every Head

RIYADH (IHT) — The government wants to put a decent roof over every head and has the money to do it. If there are snags in the housing program they are caused by the vast scale of the undertaking, and now that expectations are rising with national wealth, the speed with which new dwellings are being demanded.

More than 100,000 citizens from more than 100 towns received loans from the state's Real Estate Development Fund in its first three years to build homes on their own land, and the Fund granted about 1,000 investment loans to Saudi entrepreneurs for hotels and rental units. In 1978 the Fund provided over 6 billion riyals (about \$20 billion) in loans, more than any other government-supported credit institution. Founded in 1975 in an effort to reduce the high rents and hardships caused by scarce supply and soaring demand, the REEDF charges no interest on the 25-year loans, which now range from maximums of 100,000 to 300,000 riyals, depending on the city where the home will be built.

In its last five-year plan, the government underestimated the vigor of the private sector, armed with its liquidity from the REEDF. In some quarters of Jidda, rents have fallen 50 percent over the past 18 months, not only because of the house boom but because the price of building materials fell sharply as the backlog in the ports was cleaned up. On the other hand, so many landlords in the major cities are holding out for inflated rents to recoup their investments that newly built dwellings remain empty, creating what one local paper condemned as "an artificial housing crisis."

The phenomenon of blocks of empty dwellings, where two or three years ago one might not be had at any price, is not only due to greedy landlords. Because the responsibility for preparing residential areas is spread over several ministries — each with its own budget and set of priorities — homes may sit empty for months before services arrive. The minister of industry and electricity, Ghazi Al-Gosaibi has appealed to citizens to inquire before they build whether the site is in the range of the existing networks, which cannot be expanded fast enough to keep up with demand. Water, sewage, even roads may still be absent as the final coat of paint dries on the house or apartment building.

A persistent popular criticism of the REEDF is that it provides funds only to those who already own land, which continues to be priced out of the reach of many. Remote land is within the means of more citizens, and municipalities may even grant outlying plots free, but this "horizontal spread" is causing havoc in the demand for utilities. An aide at the ministry of municipal and rural affairs blamed real estate speculation, which ties up large plots of prime inner city land, for "chasing people to the periphery." No regulations or tax speculators force them to see if the land remains undeveloped.

"There is often a lag," admitted the aide, "between getting land, getting a loan, and getting the basic needs of your life."

There is no shortage now in middle and high income housing in the kingdom, but in low cost housing, where the private sector is not stimulated to invest, a shortage remains.

Yet in Dammam and Jidda, more than 4,000 apartments in two giant crash programs planned by the government for low income persons remain empty. The Dammam Towers complex, for instance, which took the full production of 16 Dutch factories for two years and required what one official called "the biggest peacetime sea movement of a generation" to ship hundreds of thousands of tons of pre-cast concrete slabs, has been finished since June. However, contracts for roads, water and the community mosque have not gone out to tender, nor is there yet a long-term maintenance agreement. Saudi taste and religious tradition — strong on privacy — is alien to high-rise living, and now the government is considering expensive alterations to make the towers more amenable to families, which includes doubling the number of elevators in each building to accommodate strict separation of the sexes.

The government has not yet stated who will live in the public housing projects. While ad hoc measures are being taken to keep the ghostly towers from deteriorating in Dammam and Jidda — such as pumping water through vast networks of pipes to stave off corrosion — the government has announced a nearly identical project for Riyadh.

—M.J.M.

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'Guests of God' Transported

By John Close

JIDDA (IHT) — Hisham Bassam is weary. At the end of last year, his company transported 240,000 of the record 3 million pilgrims to Mecca, the second-largest city in Saudi Arabia and the holiest place in Islam.

"Remember," said the vice president for marketing of Sandia, the Saudi national airline, "you are bringing a man from a very remote, simple village, and confronting him with the 20th century in the form of a jumbo jet, one of the most advanced pieces of man's technology. They [the pilgrims] tend to vomit, they don't know how to use a toilet, they don't read and write, they get lost, they get frightened. We are busy."

A Saudi task force of 100 specializing in the mass movement of travelers spent 4.4 million riyals (\$15 million - 1 riyal equals \$3.36) last year moving those often called "the guests of God" to the sites visited during the hajj or annual Muslim pilgrimage to Mecca.

There are five duties or "pillars" in Islam. The fifth obliges every Muslim who can afford it to make the pilgrimage to Mecca once in his life. The pilgrimage is made between the 7th and 10th days of the last month of the Muslim calendar, usually sometime in late November or December. Ancestors of today's pilgrim often spent years fulfilling the sacred duty. He and his fellow Muslims in official country delegations can make the trip in a jumbo jet, but the visit is not without pitfalls.

Unwary Pilgrims

The unsophisticated pilgrim on his way to Mecca 72 kilometers by road to the southeast is often seen as easy prey by merchants in this gateway city. For bedouins and poorer Saudis in the Hejaz, the Western Region bordering the Red Sea in which Mecca is located, the hajj is an important source of income. Each pilgrim must have an animal to slaughter for the Feast of the Sacrifice at the culmination of the hajj, and shepherds are eager to oblige with herds of camel, goats and sheep.

For centuries, the people of the Hejaz hungrily awaited the annual arrival of the faithful, counting on the profits made to last them through the year. When the worldwide economic depression of the 1930s made the cost of travel prohibitive and sharply reduced Saudi

Arabia's main source of foreign currency, King Abdul Aziz signed the first exploration concession for oil. Although oil revenues are now the mainstay of the Saudi economy, funds brought in during the hajj are still vital to Mecca's well-being.

So Saudi Arabia does much to smooth the pilgrim's passage. No precise financial information is available because costs are borne by all government agencies, including the Ministry of Pilgrimage and Endowments. 1979 expenses included salaries of the 4,258 civil defense officers and 17,000 soldiers on duty in the holy places, 5,000 street cleaners, the construction of 24 police stations and 12 observation towers and a new mass transit system.

The government has built hotels to house pilgrims and spent 15 billion riyals on a new airport at Jeddah with a special hajj terminal. Last year the Saudi kingdom spent 348 million riyals for improvement of hajj sites and another 20 billion riyals on solid gold doors for the Kaaba, a small cubic structure at the center of Mecca's Great Mosque which houses the Black Stone, the most revered object in Islam.

Old Rituals

Although today's pilgrim may arrive in Saudi Arabia on a jumbo jet, the ritual he has come to observe remains the same since the 7th century when Mohammed returned from Medina north of here to conquer Mecca.

Before entering Mecca, the pilgrim dons two pieces of white seamless cloth and enters a state of grace or *ihram* during which hunting, arguing, sexual relations and the cutting of hair and nails are forbidden. Female pilgrims do not have to wear the traditional garment and so appear as spots of color in a sea of white.

He then makes the *tawaf*, a seven-fold circuit of the Kaaba draped in black cloth. Inside, held together by a silver band, is the Black Stone worn nearly hollow by centuries of pilgrims' kisses.

Next, he runs in cadence between the hills of Safa and Marwah seven times to commemorate the search for water by Hagar, the mother of Abraham's eldest son, Ishmael. Abraham is one of Islam's five major prophets, and tradition has it that he and Ishmael built the Kaaba as a replica of God's house in heaven.

That evening the pilgrim goes to

Mina 3 kilometers outside Mecca. During the hajj the area becomes the world's largest tented camp where the faithful spend the night in prayer. At sunrise, he travels to the nearby Plain of Arafat where Mohammed delivered his farewell sermon before ascending into heaven on a winged horse. Known as Standing Day, the day at Arafat is one of the essential rituals during which pilgrims should listen to a sermon and spend the afternoon praying.

At sunset, the pilgrim travels to Muzdalifa where he collects 49 pebbles for the next ritual, the stoning of the three pillars at Mina in symbolic rejection of the devil. The final duty is the sacrifice, with a last prayer and another *tawaf* at Al Haram, the Great Mosque.

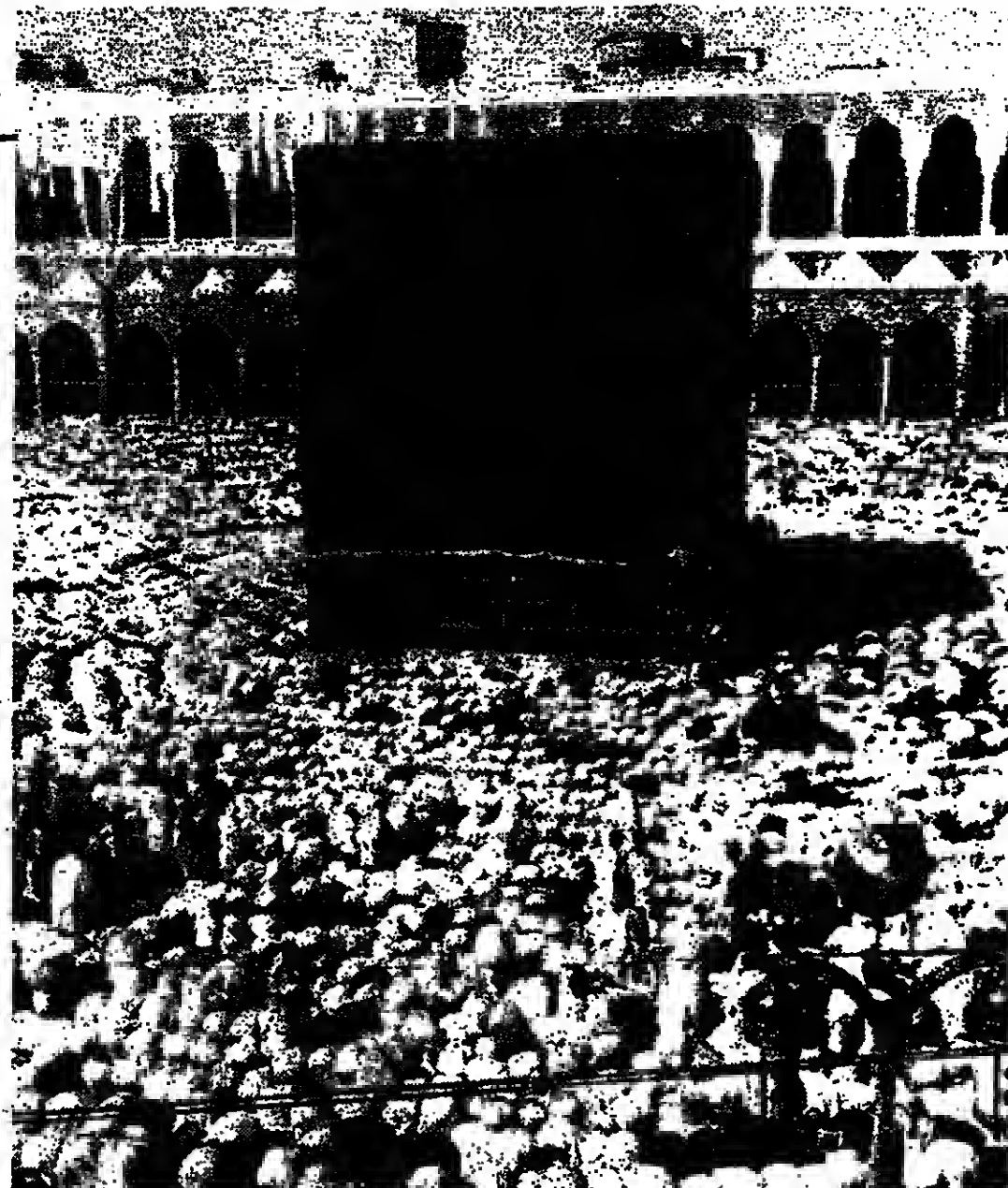
The growing sophistication of travel arrangements and the improvement of roads and transport have enabled the Saudi kingdom to protect pilgrims from venal local merchants and move them on to the holy sites in 72 hours. Increased efficiency also enables the government to keep the growing number of pilgrims under surveillance and away from the local inhabitants.

The ancient practice of cheating the "guests of God" lead to the use of the phrase, "Ana mish hajji" (I'm not a pilgrim), which would elicit guffaws and knowing winks from shopkeepers toward all but the most clever bargainers among the full-time residents of Jidda.

There is no airport in Mecca and no railroad, so taxi drivers, in particular, used to make a killing. They would pour in from all over the country and charge 100 to 200 riyals for the trip. A bus ticket from Jidda airport to the Great Mosque in Mecca costs 10 riyals.

For the 1979 hajj the government announced that no vehicle carrying fewer than nine persons would be allowed into the holy cities. And it was not only those pilgrims who came overland from Jordan, Lebanon, Syria, Iraq and Yemen who had to park their cars and board a bus. Members of the royal family and the government joined in car pools, even if in slightly grander style than the average visitor.

A transportation official said before the founding of the Saudi Arabian Public Transport Co. last year, many pilgrims would take a fleet of 10 or 20 cars complete with their retainers to Mecca and Medina. In 1979 the company leased more than 40 buses to the royal family and the



Thousands of pilgrims kneeling at prayer in Mecca.

Ministry of Information at 6,000 riyals a day a bus.

Sealing off the pilgrims from the local economy has done much to alleviate Saudi Arabia's embarrassment at the cheating of the "guests of God," but the policy is not completely disinterested.

Pilgrims once provided a sorely needed manpower for the sparsely populated Hejaz. But the last thing the kingdom wants now is pilgrims left behind to swell the ranks of the foreign labor force, which the Saudis consider already dangerously large.

At the holy places last year, Iranian pilgrims held several noisy demonstrations in support of Iranian religious leader Ayatollah Khomeini, chanting "the Imam [Khomeini] shows us the way to God." "Islam and Khomeini are one."

Many of the 1979 Iranian delega-

tion, the largest ever from that country, brought leaflets extolling the Islamic revolution there. Women in the traditional black ankle-length chadors often hid the tracts under their skirts, leaving great piles behind as they walked away. Saudi policemen were chary to confiscate the papers before they could be passed around, but they did place the Iranian pilgrim camp next to theirs at Mecca.

The Saudis are also aware the hajj offers some pilgrims a rare opportunity to visit their country. Last year the government granted passage for only the second time to a delegation of Arabs from Israel. There was also a 40-man Soviet contingent. As always, two or three non-Islamic names such as Vladimir and Anatoli showed up on the delegation list.

If the duty of accepting the pil-

grims constitutes an economic burden and political risk for the Saudis, it also affords them the opportunity to do some lobbying at home.

Last year, Ayatollah Shirazi of Iran and his son Sheikh Mohammed Ali Shirazi were summoned before Crown Prince Fahd after they completed the pilgrimage. Although details of the audience were not available, Sheikh Mohammed later announced he had assured the crown prince that Iran's recently expressed interest in the Gulf came "not from any official policy but from individuals speaking strictly for themselves."

He praised the Saudi position that the Gulf must remain as it is, "neither Persian nor Arab" and that, because Saudi Arabia was another pillar of Islam, "it is absolutely necessary that we agree and work together."

Contrasts in Health Present a Challenge

By Timothy Sisley

RIYADH (IHT) — The contrast is stark. The King Faisal Medical City in Riyadh carries out seven major heart operations a week, but Saudi Arabia still has the world's second highest incidence of blindness.

An English doctor in Jidda tells of one of her patients, a young son of a merchant family that vacations in Cannes and California who was badly injured in a car accident. After two months in intensive care, his mother took him from the hospital and to a tribal doctor out in the desert. To make the cure certain, he proposed slashing the boy's leg with a broken bottle. The boy refused, so the mother had the treatment inflicted on herself, as sympathetic magic.

Saudi Arabia is fighting ignorance and poverty to establish a modern, comprehensive health care system and, while admitting that it is still short of a target of a clinic for every 300 persons, Health Minister Hussein al-Jazairi claims that "we are well on our way."

It has been a huge effort. Not only was the kingdom starting almost from scratch, but it had to cope with the bedouin who still make up 10 percent of the population and nearly a million foreigners flooding into Mecca each year for the pilgrimage. One measure was relatively simple: no one is allowed in or out without vaccination until the entire congregation is declared free of communicable disease. So far, the precautions have worked.

Gradual Approach

A more gradualist approach has been taken for the bedouin. Those who join the armed forces, and that is almost every young man, are drawn into a separate health system that covers all their dependents.

For those who stay in the desert, clinics are established in market centers on the principle that they will come eventually. When an epidemic breaks out in a rural area, health ministry teams swoop for mass inoculation. Doctors report that it is an uphill battle, but one that is slowly being won. Folk remedies persist, as do malnutrition, trachoma and bilharzia, but Saudis are increasingly coming to

rely on preventive care and Western medicine.

There are now 67 public hospitals in the country, and within six months the government's five major new hospitals, sited in the worst-served urban areas, should have opened their doors. They will go a long way toward raising standards. Management and staffing contracts with foreign companies and governments are being signed following what is now the standard practice of importing expertise wholesale from countries like Taiwan or the Philippines.

It is there that the biggest challenge lies. Only 8 percent of doctors in Saudi Arabia are Saudis, and although the first class of home-trained doctors will graduate this year, it will be a long time before Saudis can take over their own medical system. In most urban centers, Pakistanis, Egyptians or Palestinians shoulder the burden.

Little Status

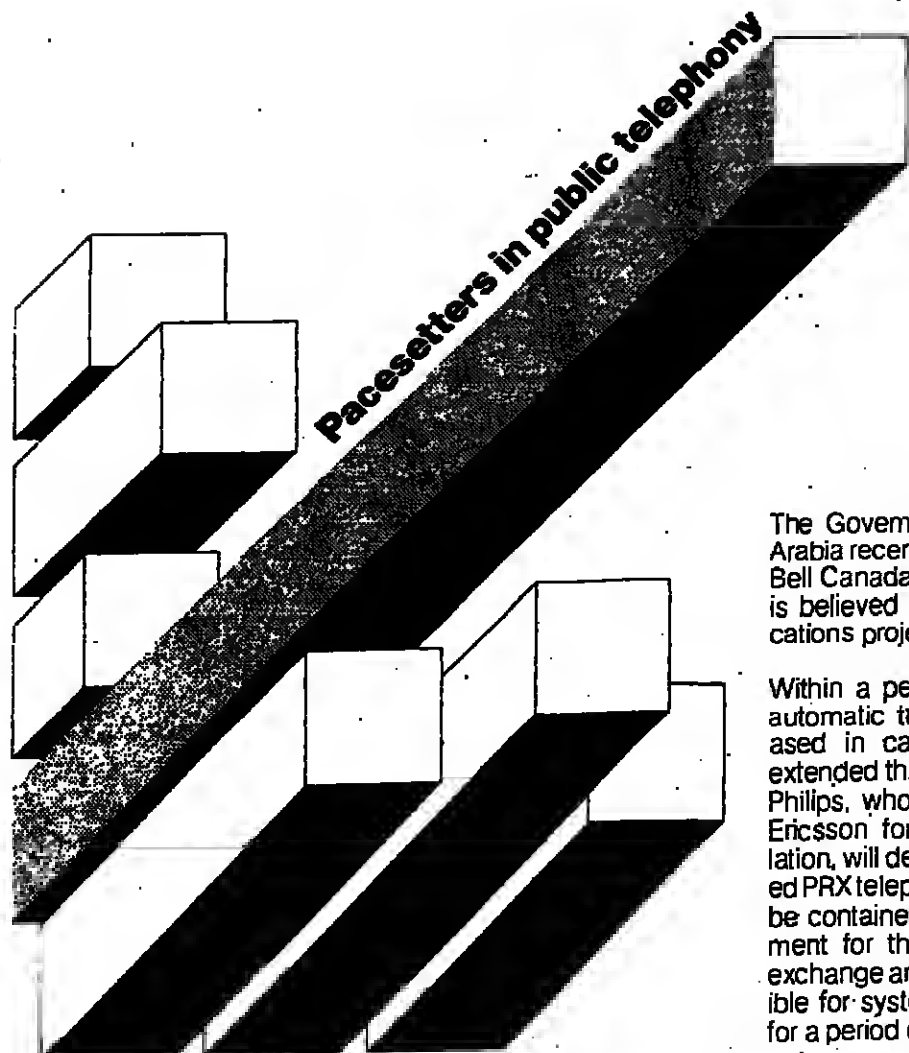
In nursing, the problem is more acute. Traditional attitudes are tacitly relaxed to allow Saudi women to train and work as nurses, and doctors report little opposition from families or patients, but the profession is unattractive even to women who have few other work opportunities open to them.

Status is all-important in Saudi Arabia and nursing has little. Training facilities are constantly being expanded, but the growth of a truly indigenous work force can hardly be expected to begin until the whole of society has decided what role women are to play.

Until then, imports fill the gap. Egyptian women, of whose professional skills doctors do not speak highly, are the mainstay of the nursing profession, but they are slowly being phased out in favor of more efficient Far Easterners. Doctors and nurses are supplied for bleak, rural areas by drafting them after they have signed their contracts.

The government's declared goal is health care of a standard equivalent to the Western system by 1985. In terms of building and equipping hospitals and clinics, it will be easy. The system needs time to mature, though, to develop senior staff and a broad base of public awareness.

Saudi Arabia makes telecommunications history



February 1979

The Government of the Kingdom of Saudi Arabia recently awarded the Philips-Ericsson-Bell Canada Consortium a contract for what is believed to be the largest telecommunications project in history.

Within a period of three years the present automatic telephone network will be increased in capacity by 476,000 lines, and extended throughout the Kingdom. Philips, who share equal responsibility with Ericsson for equipment supply and installation, will deliver 56 stored-program controlled PRX telephone exchanges (of which 13 will be containerised) as well as all PCM equipment for the junction routes in the multi-exchange areas. Bell Canada will be responsible for system operation and maintenance for a period of five years.

Philips Progress Report

February 1980

Giant project still on schedule

Progress situation after 24 months:

44 SPC exchanges installed or upgraded, 30 of which during the last 12 months. Switching capacity for 212,000 local and 47,000 trunk lines has been added. Switching capacity has been more than doubled in 24 months from 198,000 to 410,000 local lines, and the Kingdom's system has been transformed from electromechanical to SPC standards.

29 of the previous exchange buildings have been expanded and modernized to house the new SPC equipment.

Construction of 8 new exchange buildings has been completed.

Work on another 18 new exchange buildings is under way.

About 9,000 specialist and labour are employed in the Kingdom for implementation of the project.

The logistics of this turnkey project, which has a total value of over \$500 million, are prodigious. During construction more than 1,000 employees and their families will be accommodated in model villages built specially for the project. No less than 200,000 cubic metres of materials and equipment must be transported to Saudi Arabia and distributed to work sites throughout the Kingdom. And to provide a direct means of communication between the various sites, a private radio network must be established.

Other joint responsibilities of the Consortium include the training of up to 600 local PTT staff on the operational, maintenance and servicing aspects of the computerised network. This will be carried out in specially equipped schools and repair centres.

An important part of the Government's second five-year plan, whose aims include diversification, industrialization and the rapid development of education and social services, this ambitious project will firmly establish the Kingdom of Saudi Arabia at the forefront of modern telephone communications.

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Aid Largesse Keeps 'Communism at Bay'

By Andrew Borowicz

JIDDA (IHT) — They arrive in a steady stream, clutching attache cases filled with plans, their prepared speeches stressing hardship and dire need for help. More frequently than not, they spend days waiting for appointments in a country where time rarely matters.

When the word does come, it usually means money — sometimes a lot of it. The sum itself is barely mentioned during hushed conversations over tiny cups of scented coffee. It is merely a "token" of Saudi effort to keep "Communism at bay" and strengthen the bonds of Islam, the religion which constitutes the cornerstone and national philosophy of this desert state sitting atop 25 percent of the world's known oil reserves.

The fact is that much of the largesse distributed by Saudi Arabia goes to Islamic countries, although others have been among the beneficiaries as well. The aid is not haphazard and is not intended to buy favors or security for Saudi Arabia, as has often been the case of another rich oil state, Kuwait.

Complicated Principles

Saudi aid to the less fortunate countries is based on a complicated set of principles, which could be summarized as follows:

- The Saudis genuinely feel that they should share some of their blessings with those who need help;
- The keeper of several of Islam's holy places, the kingdom is deeply committed to the principle

of recovering another holy place, Jerusalem. Not being a "frontline" Arab state, Saudi Arabia feels morally obliged to help those Arab countries which border Israel.

- By giving out its wealth across vast areas of the world, the Saudis believe they are helping international stability and redressing the balance between the rich and the poor.

How much is actually given in loans or outright grants remains one of Saudi Arabia's secrets, jealously guarded in the vaults of air-conditioned buildings. There are, of course, reasonable guesses based on spending patterns of the recipients.

Guarded Secret

An average sum of \$10 billion a year in foreign aid is considered as most realistic. It would be roughly equivalent to the amount of aid dispensed by the United States, a superpower with a population 30 times that of Saudi Arabia.

In per capita terms, Saudi aid to foreign countries is 30 times larger. From that point of view, no other country has matched the Saudi record — and none is likely to.

Discussion of whether foreign aid is vital and at the same time helpful to Saudi Arabia's interests is, of course, not a national preoccupation in a country without parliament, opinion polls and other Western ways of airing problems. It concerns only the small ruling establishment of several hundred men, part of the 4,000 members of the royal family and a handful of Western-educated technocrats.

Their conclusions have been mixed. In the short term, they feel that Saudi aid has been highly influential. It has helped to establish the kingdom as a world power, although in terms of population (about 5 million indigenous Saudis) it ranks with Upper Volta in West Africa, one of the poorest nations on earth.

Domestic Spending

But many Saudi leaders are beginning to feel that in the long run money spent as foreign aid may not be very effective politically. With the prospect of curtailing some of its oil production, Saudi Arabia will soon have to reassess its priorities. In this respect, domestic spending is likely to take prominence, although there are doubts that aid to the

"frontline" Arab states will be sizably affected.

The Saudis themselves often admit that their aid is, to a great extent, politically motivated. It intends to promote Islamism and anti-Communism. It supports viable economic projects under close supervision. If the recipient country does not "behave itself," the tap is simply turned off.

The organizations which channel the flow of Saudi funds abroad are the Saudi Fund for Development (SFD) and, as a distribution agent, the Islamic Development Bank (IDB) based in Jidda. The Saudi Fund is the ultimate arbiter. It has the power to choose consultants and contractors for the projects it supports and it alone decides when to stop the flow of aid in case of political or other difficulties.

With Moslem solidarity as the dominant theme, it is not surprising that most of the funds go to the countries embracing Islam. Among them have been Egypt, Syria, Jordan, Yemen, the Sudan, Somalia and Djibouti. Saudi funds support to a great extent Yasser Arafat's mainstream Fatah wing of the Palestine Liberation Organization (PLO).

Help to Africans

In other parts of the world, Saudi petrodollars have propped up the wobbly economies of Pakistan, Bangladesh, the Philippines and even non-Moslem countries as South Korea and Taiwan, the last two because of their staunch anti-Communism.

In Africa, where Islamism has been gaining ground over the past two generations, Saudi money has gone to help Mali, Nigeria, Zaire, Uganda and others. All told, about 50 nations have profited from Saudi Arabia's wealth.

The aid is given discreetly — but with a firm hand of a country which knows its power on world financial markets. Applicants are frequently lectured on the need to contain "godless Communism."

Saudi envoys visit receiver countries and spot any abuses with alacrity. If, for example, they discover that the approved project is not off the ground but a new presidential palace is definitely under construction, the next installment of aid is unlikely to be forthcoming. There are no harsh words — just no more money.



Women veil their faces and cover themselves from head to toe in flowing black.

Women's Aspirations Sharply Curtailed

By Mary Jo McConahay

HOFUF (IHT) — Like many other women young to her first cousin, Samia B. was married, although she has enrolled in a neighborhood literacy class sponsored by the Saudi government. The only other time she leaves her house is to visit other women in theirs.

At 44, Samia looks like an older sister of her 30-year-old daughter, Farida, who is a teacher, and of still unmarried Jasmine, 19, who wants to be a petroleum engineer like her brother.

Saudi women of the new generation are increasingly educated, often well-traveled, and have aspirations beyond their mothers' dreams. When they walk out their front doors and into the world, however, mothers and daughters alike veil their faces and cover themselves from head to toe in flowing black abayas.

Some Exceptions

For all the breakneck development sweeping their country, Saudis appear determined to maintain a place for women that has changed little in the last 14 centuries.

There are significant exceptions. The education of girls, completely separate from that of boys, is a top priority, and the kingdom is now self-sufficient in women teachers for primary grades. Medical schools are flooded with appli-

cations from young women — Riyadh University is expected to graduate its first class of 30 women doctors this year.

But apart from education and medicine, where they are allowed to work only with others of the same sex, women have little to do with their country's development. They are expected to value their roles as mothers and wives above all else. These attitudes are buttressed by Islamic law which is intended to protect, not restrict women, to preserve their dignity and shelter them from the exploitation women are believed to have experienced in the West.

High government officials, educated in the United States, perhaps with wives who are themselves professionals, nevertheless maintain that the system serves the nation well, and that women will never work alongside men here, even at the expense of importing large numbers of foreign workers to meet development needs.

Both Saudi and Western observers agree that there will be no women's rights movement in Arabia of the kind found in the West or Japan. Yet there are those among the Saudis themselves who would like some of the attitudes to change. Women doctors, nurses, students and teachers, for instance, are discreetly suggesting that they be granted drivers' licenses, a privilege reserved for men. Hired drivers are no longer cheap or easily available, they argue, and an adequate public transportation system has not yet been developed.

A local newspaper took a telling sample of responses to the suggestion:

"A university sociologist said that for shopping and family visits, 'It is better for a woman if she is escorted by her husband, brother or son anyway.'"

"The director of the Jidda traffic police said that in case of a traffic offense it would be improper for the police to question a woman driver, and in case of a flat tire, she would not be able to replace the wheel without exposing her face, which 'would go against the country's traditions.' A religious scholar replied, 'There are no religious grounds forbidding women to drive. On the other hand, there could be problems if a woman wearing a veil sits behind the wheel.'"

While officials do not go on record as encouraging women to work, some privately regret that there is no acceptable way for their university graduate wives and sisters to use their education within the kingdom. Others, such as Planning Minister Hisham Nazer, point out that the kingdom which can be practiced within the context of local religion and tradition.

"Our priorities are for them to be in the field of medicine, and teachers," Mr. Nazer said. "Why should we divert women from these? There is nothing in religion which prevents women from working. But if you ask whether it is one of our priorities to have women engineers, our answer is no."

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Britain Seeking Greater Stake

By Alan Tiller

LONDON (IHT) — Britain is seeking a greater economic stake in the kingdom. Queen Elizabeth prepared the way with a visit to the beginning of last year and there have been several follow-up visits by ministers and business delegations.

Government and business leaders met in London last month to assess the chances for more British contracts. A British trade official said: "Whatever view one takes about the long-term future, one cannot ignore the present Saudi market as it is just about the only one which is expanding at a time of global recession."

Already British exports as much to Saudi Arabia as it does to the whole of South and Central America. Or for that matter to the whole of Russia and Eastern Europe.

John Nott, British secretary of state for trade, was received recently by King Khalid and a number of senior economic ministers. A Whitehall spokesman described the Saudi welcome for the British visitors as "extremely warm." He added: "The king and his ministers expressed support for Mrs. Thatcher's commitment to free enterprise and her efforts to make Britain more productive."

Hopeful Mood

Mr. Nott returned to London in a hopeful mood and said that Britain could expand its trade position during the upcoming Saudi five-year plan (1980-1985), details of which will be known shortly.

The Department of Trade estimates that Britain lies in fourth, perhaps fifth, position among suppliers to the Saudi market after the United States, Japan and West Germany. The British think they can sell more than the French and Italians, partly because of the traditional ties between the two countries and royal houses.

British exports to Saudi Arabia are running at an annual rate of \$900 million a year and thus are keeping more or less abreast with imports of Saudi oil. Saudi Arabia

has become the third zone for British exports after Europe and the United States.

The trade breakdown reveals oil as the predominant export specialty. Power generating equipment, specialized machinery, general industrial and building materials and metal manufacturing were each responsible for exports in the range of £50 million to £70 million. There was a handsome item of £90 million for transport equipment and parts, but this disguised the fact that actual vehicle sales amounted in 1978 to a mere £28 million, a minor percentage of the sales of Japanese and West German manufacturers.

"We are weak throughout the Gulf," a Department of Trade official admitted in a reference to car and truck sales. Nevertheless, the British hope to benefit from the Saudi interest in joint ventures and also from various defense contracts.

Sandis in London

The queen's visit to Riyadh underscored the long ties between the two countries. The British have not been winning huge contracts in recent times, but any visitor to London can testify to the prominent Saudi presence there.

The Saudis are said to like London more than any other Western capital. The king has been treated there. The princes visit the British capital for business and social reasons. Saudis have been prominent purchasers of the best real estate in London and in the suburbs.

The British naturally think these traditional and familiar links will help business. This is partly true, although Saudi Arabia has been trying to control costs and reduce inflation for well over a year. In addition, the government has denounced overpricing by Saudi and foreign suppliers and contractors.

Certainly, the position of the big British construction companies — Wimpey, Laing, Costain and others — has weakened in the face of sharp competition from South Korean and other Asian contractors with their lower labor costs. The same is true for other West European construction majors.

A British trade official was frank: "On the lower level — so-called routine construction — we have been losing out to the Koreans and the Japanese. In the petrochemical and other areas of advanced plant, we have not had the technology to compete with the Americans."

"But our trade is steady unlike the zig-zag course of some of our competitors. We have a lot of subcontracting and consultancy work. We supply building materials and consumer goods with the result that we have built up a flow of trade in durables and small pieces of equipment."

It might seem that British ambitions were limited. Mr. Nott, however, flew back to London with the conviction that "Saudi Arabia is 100 percent committed to its industrial program and that Britain can benefit from joint ventures."

Britain, like other Western countries, is waiting for details of the new Saudi plan which is likely to see five-year spending grow from around \$140 billion to something nearer \$200 billion. Meanwhile, the British Committee for Middle East Trade, has circulated to its members an assessment of the Saudi report on the state of building at the two megaindustrial centers of Jubail and Yanbu.

With these two projects Britain has been to the fore with the design of ports, waste disposal, telecommunications and the Jubail airport. The British have also done the basic engineering studies for undertakings such as the rail link between Jubail and Dammam.

The British Middle East Committee in a recent report stated: "It is evident that there will be major opportunities for foreign firms in the supply of both goods and services for the new towns of 100,000 plus people. Although British companies are conspicuous in their absence from the lineup for major industrial joint ventures and in the contracting field, British consultants have so far done exceptionally well, ranking almost as high as the Americans in the tally of contracts so far awarded."

Royal Solidarity Outweighs Any Rivalry

(Continued from page 75.)

affairs of state. Sophisticated, urbane and soft-spoken, Fahd is the staunchest voice in shaping foreign policy and the kingdom's strategy on oil production and pricing.

Fahd gained a reputation of being a liberal when as education minister in 1953 he initiated Saudi Arabia's first expanded public school system and tried to introduce education for women into the theocratic kingdom.

He also was instrumental in bringing about the decision to boost the kingdom's crude oil production ceiling by 1 million barrels to the current 9.5 million barrels a day, a number requested by Washington.

The crown prince has been trying to introduce a degree of representative government in the kingdom through a quasi-legislature to be called the "consultative council." The idea gained momentum after the Mecca siege and, according to informants, may soon be translated into reality.

Fahd has been trying to fill the shoes of the late King Faisal, a forceful and astute leader. Critics claim that Fahd craves power. But sources within the family insist that he harbors no ambitions to become king prematurely by unseating his sibling half brother.

The logical third man in line is Prince Abdullah, leader of the powerful Shammar clan and the third strongestman in the kingdom. His national guard is an efficient paramilitary force, created by the late King Faisal as an instrument to balance the might of Prince Sultan's army.

Also known as the "white army," Abdullah's praetorian phalanx was swift in smashing a coup attempt by the commanders of the Dhahran military base in 1969.

Abdullah has been emerging as the head of what diplomatic circles describe as the "nationalist, progressive faction" within the House of Saud. He favors closer ties with the so-called progressive Arab regimes and hard-line powers opposed to a negotiated settlement with Israel.

Main Force

Abdullah maintains friendly relations with officials of Syrian President Hafez al-Assad's government. He is the main force behind Saudi Arabia's switch to anti-Egyptian policy, in support of radical Arab governments that reject the U.S.-sponsored peace drive in the Middle East.

Deeply wary of rapid economic development, Abdullah is known to be concerned about the steadily growing number of foreign workers and technicians in the kingdom and the flaunting of oil wealth by princes and entrepreneurs. He is said to fear that the Islamic nature of the kingdom and the traditions of the royal family were being irrevocably eroded.

On relations with the United States, Abdullah is not dogmatically anti-American. Rather, he contends that the Americans are taking from Saudi Arabia more than they are giving it, insisting that the kingdom should not let Washington exert undue political influence. He wants Saudi Arabia to keep its options open.

Why should Saudi Arabia continue to favor the United States while it persists in helping Israel against the Arabs and the Palestinians? Abdullah asks.

Since he sees oil in the ground as better and safer than money in the

bank, Abdullah contends that the daily production rate should be kept to 5 million barrels or less. He also insists on reducing the pace of industrial development to manageable proportions.

The rivalry between Abdullah and his half-brother, Defense Minister Sultan, is an open secret in Saudi Arabia. Confidential reports claim that Sultan has been lobbying in family circles to become second in line of succession, after Fahd.

Sultan wants to boost the size of the army from about 50,000 to 200,000 men and equip it with ultramodern weapons and supersonic fighters from the United States. He also wants to merge the army and Abdullah's national guard. But Abdullah maintains that large purchases of modern arms are detrimental to economic development and do little to assure internal security.

King Khalid enjoys support from Prince Mohammed and Prince Abdullah. Sultan, although a Sudairi and a full brother of Fahd, often oscillates between the king, crown prince, and national guard commander. If the king makes up his mind on anything, all princes will have to obey. But sources say that when Fahd wins Abdullah to his side, their line often prevails.

The eight sons of the late King Faisal, representing the enterprising third generation of princes, are beginning to attract attention in the kingdom and elsewhere in the Arab world. These include Abdullah, a poet turned businessman, Saud, a Princeton-educated foreign minister, Khaled, governor of the remote Asir Region, Bandar, member of the military staff, and Turki, the country's intelligence chief.

According to family tradition, kings are drawn from the sons of Abdel Aziz and, since King Khalid has 28 younger brothers, the third generation of princes theoretically would have to wait a long time before becoming potential heirs to the throne.

Open Rifts

In recent years, there have been three open rifts in the family. In 1962, Prince Talal, the 18th son of Abdel Aziz, embraced socialism and pronounced himself a republican after renouncing his royal title. He fled Saudi Arabia, settled in Cairo where he and two full brothers — Badr and Nawaf — along with two other half brothers formed a group of "free princes." They ended their rebellion and were pardoned by King Faisal in 1965.

In 1964, the rift between Faisal and his half-brother Saud exploded into a head-on collision, with Faisal deposing his brother and succeeding him on the throne.

In 1975, a young prince called Faisal Ibn Mubarak shot and killed King Faisal and was himself subsequently beheaded in public.

The family's ubiquitous princes run the government, the army, the bureaucracy and the regional administrations. It is hard to think of any important apparatus in Saudi Arabia without a princely hand in it. The royal family is a virtual political party with a firm grip on almost everything.

"If there's one thing this royal family is agreed on, it's survival," a Saudi prince was quoted as telling a Western diplomat. "We do not survive by fighting each other."



Member of the royal guard relaxes in the palace.



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Burgeoning Telecommunications Network Spans Empty Desert Spaces

By Timothy Sisley

JEDDAH (IHT) — The sheer size of Saudi Arabia and the distances between relatively small centers of population increase the need for telecommunications.

The kingdom's telephone expansion project, budgeted at \$3.1 billion, was already the biggest of its kind. Yet the pace of rising expectations is so fast that this summer new contracts were signed, worth a further \$805 million, to lay the groundwork for another half-million lines.

Outside the planned industrial complexes at Jubail and Yanbu and the gas-gathering system, this is the kingdom's single most expensive project. It has already broken its own record for lines commissioned at one time. By next year it will

have given Saudi Arabia the world's first fully automatic telephone network.

Difficulties have been legion. Training has been delayed while new programs were devised to suit an unexpectedly low level of basic education for Saudi technicians. Dong Ah, the South Korean subcontractor whose cheap labor was a significant factor in the contract's award, had trouble with the Saudi bureaucracy getting visas for its 6,500 conscript workmen. It then discovered there were no street maps to guide digging. No agreement had been reached with municipalities for the location of exchanges, and permission to work has sometimes been withheld.

One of the woes of those in charge of telephones in Saudi Ara-

bia has been the activity of other contractors. Residents of Jidda and Riyadh are accustomed to losing their calls to overenthusiastic excavation on other projects. In Jidda alone 13,000 cables were cut last year by construction companies and one manager there was imprisoned after fines failed to deter his workers.

Earlier this year a trunk exchange was installed in Dammam only 7 1/2 hours after the jet bringing it in touched down at nearby Dhahran.

Quick Results

The haste is bringing results. According to Saudi Telephone, a government agency, the number of subscribers connected has almost doubled to 250,000 since work began

last year. A further 240,000 telephones have been installed in anticipation of cable laying and cabinet and distribution point construction.

In June the first phase of expansion was consummated when 17 switching centers were simultaneously cut over in 13 locations, putting into service 97,000 local and 9,000 long-distance lines.

Joint Venture

The project calls for the installation of 470,000 new lines by a joint venture of Philips, Bell Canada and L.M. Ericsson of Sweden. The group won the contract in the face of what Alawi Darwish Kayyal, the minister of posts, telegraph and telephone, called "tough competition" from American ITT and Western Electric.

Philips and Ericsson are the main suppliers of equipment, and Bell is developing the administrative and technical organization to handle the network, a brief that includes training Saudis to take over all operations in five years.

The new lines will be handled by 90 local exchanges, 11 trunk switching centers and three international exchanges. They will be connected by high-capacity cable and microwave links, as well as 14 ground satellite stations. The microwave system is the work of Western Electric and Rockwell, at an additional \$400 million.

The project will bring Saudi Arabia's telephone density up to less

than 10 telephones for every 100 persons, still below a world average of 14.5 and far off the American figure of 80. It was for that reason, and because the major excavation to lay cable in the streets of major cities — work that will fray the nerves even of the most unimpaired city dweller — has yet to begin, that plans for a larger capacity have been advanced.

It was, according to Dr. Kayyal, to avoid "having to dig the streets up all over again" that contracts were given out in the summer for the expansion of the projected outside plant — the physical network between exchanges and underneath roads, the conduits for cables, the cabling itself and the booths on the corner of each block.

Telex Lines

The base network is for a million lines, but the 1980s will see greater increases in demand. A preliminary estimate for the projected doubling of capacity to 2 million lines is \$9 million. Although there is apparently no question of dissatisfaction with the joint venture, cost considerations may well dictate that the work be offered in a phased series of tenders. Western Electric, unsuccessful last time, is considering bidding.

Paralleling the telephone project is the planned expansion of the telex network by 15,000 lines, due for completion shortly under a contract of \$13.4 million awarded to

the General Technical Division of the Saudi trading house Haji Abdullah Alireza. Equipment has been supplied by the Fredericks Electronics Corp. of Maryland.

Telex was forbidden in the kingdom for security reasons until 1973, when a service was set up with 50 manually connected lines in Jidda. There is as much haste as with telephones. Early this year a network of 5,000 lines was inaugurated. One of the first places to be connected was the Central Region's Bedu tribal center of Hail.

Cultural Implications

Dr. Kayyal emphasizes the cultural implications of the expansion of Saudi Arabia's telecommunications network almost as heavily as the economic, stressing the benefits of greater accessibility for all parts of the kingdom.

Certainly there is a symbolic tie binding together the eastern and western halves of the kingdom in the trail to Dammam coastal cable. In rural areas ground satellite stations have brought American adventure serials, European soccer and religious programs to communities unchanged for centuries.

An Interior Ministry system is under construction. The British Cable and Wireless is working on a five-year, \$826-million contract awarded last year for a microwave network for the national guard.

Ambitions are not confined to international communications. Earlier this year an \$8.2-million microwave sta-

tion in Taif to connect the kingdom with Port Sudan across the Red Sea was inaugurated. It runs off solar power, with emergency generators in case of failure.

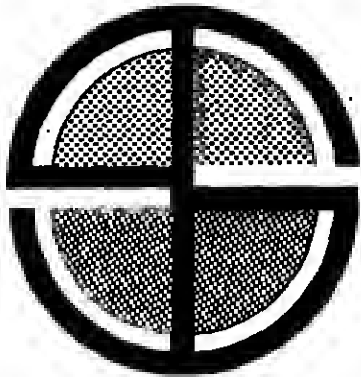
First Satellite

Tenders have also been invited for the first Arab space satellite, to relay telephone, telex and television. Arab Sat, the Arab Satellite Communications organization, is based in Riyadh and 25 percent funded by Saudi Arabia. Comsat General Corp., a subsidiary of the Communications Satellite Corp. of the United States, was last year awarded a consultancy contract for the project. Next year has been set for the satellite's launching.

For all that ambition, the highest hurdle lies ahead. It is only now be-

coming apparent that maintenance costs on the telephone expansion project will be larger than originally envisaged. According to press reports at the time of the award, Bell's five-year operation and maintenance deal was worth \$300 million. Consultants now predict an eventual cost far higher than double that amount.

With other telecommunications projects that will be working over the next few years, a high level of spending has been reached in advance. It may be unpleasantly high. Perhaps more importantly, it is yet by no means certain that enough trained Saudis will be ready to take over the telephone and other networks and carry out replacement of equipment and modifications of operation.



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Multibillion-Dollar Construction Effort

Sands Shifted for New Industrial Cities

By Mary Jo McConahay

YANBU (IHT) — At this remote strip of desert on the Red Sea, and at another desert site on the opposite side of the kingdom, an army of bright yellow earthmovers are eating away at the sands, turning them into multibillion-dollar industrial cities. At Yanbu, a diminished population lived among the crumbling coral mansions of a port town that lost prosperity when pilgrims began flying instead of sailing to Mecca. Across the country on the shores of the Gulf, Jubail was until recently a quiet pearling and fishing village of only 4,000 souls.

Langid no more, the towns have been chosen as the twin hearts of the kingdom's effort to build a hydrocarbon industry. Jubail will have three refineries, four petrochemical complexes, a steel mill, fertilizer plant, secondary manufacturing and support industries, and a planned community that could reach a population of 300,000 by the end of the century.

Yanbu, officially dedicated by King Khaled in November, will be the site of a domestic refinery producing 170,000 barrels a day, an export refinery turning out 250,000 barrels a day, a petrochemical complex, a shipping terminal and fractionating plant for liquid natural gas, and a new metropolitan area with a population of 100,000 by 1984. The costs alone for new Jubail and Yanbu have been estimated at between \$35 billion and \$40 billion.

While a few old dhows still tilt at crazy angles in the receding tide, the tiny village harbors are dwarfed by huge new ports. Jubail was chosen primarily for its proximity to deep water — 9 kilometers away — along an otherwise shallow sea. By the time primary and secondary industries are complete, the ports of Jubail will be capable of handling 5 million metric tons a year, including all the raw materials and semifinished products for the industrial complex itself.

Special Strategic Role

Yanbu will not be as big a project as Jubail, but the seaside site will have a special strategic role. Two cross-country pipelines under construction now will terminate here, carrying liquefied gas and 3 million barrels of crude oil a day from the Eastern Province fields to the Red Sea, releasing Saudi Arabia from its dependence on the more vulnerable Gulf for its exports. Tankers will take on 1.6 million barrels of oil a day for delivery to Europe, either through the Suez Canal or Egypt's Suez pipeline. The old town, 19 kilometers north of the industrial city, already has a new port with nine berths. This has taken considerable pressure off Jidda, and is now the kingdom's second biggest port on the Red Sea.

The new Arabian industrial cities are going up from scratch. Roads, houses, communications, schools, telephones and electricity must appear where they have never been before. Because there are virtually no

sources of sweet water to supply people or industry, every drop must come from the sea by way of desalination projects.

The responsibility for building all this belongs to the Royal Commission for Jubail and Yanbu, which is trying hard to spread the construction wealth among local companies.

"We're hammering on our consultants to put it in the specifications, and we tell contractors to use the local market," says Jamil Al-Jishi, director general of Jubail for the commission.

Major contracts are being split to allow participation by Saudi firms, some of which may not have the experience or facilities to handle an overseas job. "We have cut our projects to pieces to give everybody a chance," Dr. Al-Jishi said.

While it is often more expensive to hire multiple local contractors rather than one big foreign company, the commission says it is worth the cost to provide a training ground for Saudis. About 75 percent of the contracts at Jubail and Yanbu have been awarded to companies which are at least 25 percent Saudi-owned.

Job Training Center

As he stands on the wide, brightly lit new Street of the Engineer in the nucleus of the future industrial city, the Yanbu director general, Sami Mosley, said that a training center here will be "as important as any plant or refinery." About 4,000 Saudis a year will be admitted to the project, for tuition-free classes and on-the-job training.

Apart from the enormous scale of the work itself and the development of a national work force to run the industries, a prime challenge to the commission will be the multitude of construction workers needed to build the new Jubail and Yanbu. At least 40,000 of them will be on hand at Jubail when building activity reaches a peak in the mid-1980s, and 25,000 at Yanbu. Almost all will be single, the majority from the Far East.

Workers live in air-conditioned camps, each with its own clinics, multinational kitchens and recreational facilities. With such large numbers and disparate groups laboring in a harsh climate on deadline jobs, the Saudis are taking no chances on dissatisfaction developing over living conditions. At Yanbu, unskilled laborers are living two to a room in quarters that resemble a pre-fab college dormitory.

Jubail and Yanbu will never be the same. Already road signs are written in the calligraphies of the Far East, alongside Arabic and English, and exotic oriental specialties have appeared in grocery stores alongside frozen white bread from America. There are first-class hotels and double-lane highways now, and the Saudis are generally jubilant about their prosperity. Land prices have skyrocketed and business, they say, has never been so good.

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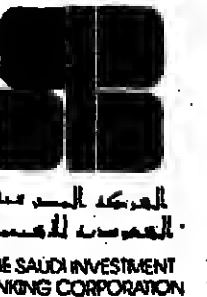
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Start of Manufacturing Industry

By Timothy Sisley

RIYADH (IHT) — Over the next five years Saudi Arabia is to enter an era of manufacturing industry, says Saleh Al-Jalal, the director of the Saudi Industrial Development Fund. The fund will be a move away from financing plants that feed the construction boom.

The industry is a solid thing for the future, commented Mohammed Mansour, vice president of Mansour Trading, Contracting Industry in Jidda. His firm, set five years ago as a contractor importer, has recently established a factory to make prefabricated houses as a complement to construction side. "Contracting is last forever," official figures suggest the enthusiasm is widely shared. In 1971 there were 294 manufacturing firms, the number is now put at 400. The minister of industry and electricity, Ghazi Al-Ghazali, has expected that figure to rise to 600 by 1985. His deputy minister of industry, Fouad Al-Farsi, says a further 292 factories are under construction. He adds that investment in manufacturing is 21.2 billion riyals (about \$6 billion), and that 177,000 workers are employed in manufacturing.

The statistics indicate that the private sector has not been slow to respond to incentives, but the plans are not altogether happy. It is with some unease that there is much of an emphasis on large plants, possibly unhealthy so far as a world country. Relatively Saudis will take factory work in a country where there is just about unemployment, so the burden of keeping up a semi-skilled and untrained workforce falls on immigrant labor, suggesting a certain artificiality. Changes of direction are also aimed at emphasizing small industry based on local manpower.

Loans, Incentives

There are significant government incentives to the establishment of manufacturing industry. Loans of up to 50 percent of the capital cost given, normally repayable over 10 years at 1 or 2 percent commission, the enthusiasm for interest in the kingdom. Cheap sites available on industrial estates, when production starts, the law favors that government procurements favor even more expensive homemade goods.

The authorities are frequently responsive to requests from industrialists to erect tariff barriers of a few percent to protect their fledgling businesses. A decree last year extended the Foreign Capital Investment Code to extend from 5 years to 10 the tax holiday for joint Saudi-foreign ventures in agriculture and industry, and further encouragements are expected in the first five-year plan starting this year.

For those industries that have received, the rewards have been considerable. In Dammam the Aluminum Products Co., built by a Swiss firm under a 10-year technical agreement, now aims to satisfy 26 percent of domestic demand for fabricated aluminum products. As a mark of official approval, its factory was named by King Khaled early this year.

Vigil Dewsbury, the English director of the company's architectural and marketing division, says that tariff protection brought specially for the firm means that

Alupco products sell for between 15 and 20 percent less than the imported competition.

Similarly, government protection has nurtured Saudi Arabian Amiantit, the only pipe manufacturer on official lists of local industries to which preference must be given in public purchasing. Most pipe-laying is by necessity public work. The company was founded six years ago with Swiss, Saudi and other Arab ownership, and this year it expected to satisfy the entire demand of the market for fiberglass and asbestos cement piping.

Employing some 1,500 people, company officials say the firm has a capacity of 140,000 tons a year in its Jidda factory making cement pipes for sewage, water transmission and storm drainage. A Dammam plant manufactures 100,000 tons a year of steel cylinder piping for large transmission and 5,000 tons of plastic, PVC and polythene piping for connecting houses to mains, sewerage and water.

A venture set up in 1972 between Nitro Nobel of Sweden, a Saudi group and the Olayna group and the Saudi Chemical Co. is the country's only explosives manufacturer. According to Goran Eriksson, vice president for marketing, the company's factories in Jidda, Riyadh and Dammam produce 9,500 tons a year of Saudi Arabia's need for 14,000 tons of explosives for civil works.

With government patronage, the partnership has not only prospered but Nitro Nobel's special place in advising the authorities has meant that the Swedish parent has the major slice of the import market. It is said that Saudis are unwilling to invest in heavy industry. Officials of the National Pipeline Co., a joint venture with the Japanese Sumitomo group, deny that. The company's \$47-million factory in Dammam, due to start production at the end of next year, is possibly the largest private joint venture in the kingdom. It will manufacture large caliber spiral steel piping for oil and gas lines. The initial output of 30,000 tons a year will aim at reducing imports estimated at between 150,000 and 200,000 tons a year.

But it is not all success. Dr. Al-Ghazali has spoken of the hindrances in the way of industrial development, pointing to a limited and widely dispersed domestic market, consumer preference for imports and too little diversity of products.

Plans Shelved

Some blame the government. Sheikh Ahmad Jannoon, a Jidda businessman, early last year shelved plans to build a Hino truck assembly plant, as he says insufficient tariff barriers could be guaranteed and the volume of government expenditure was too low to ensure markets in contracting. Others say that tariff policies are sometimes poorly thought out. A duty on imported cans, for example, imposed to protect a domestic manufacturer, has meant that Saudi canning plants unable to obtain all their cans on the local market have to pay extra for imports.

Labor costs are a constant headache, and some manufacturers say that their productivity is artificially restricted by the difficulty of importing manpower. There is a concomitant underdevelopment of managerial and marketing skills, as staff shortages are frequently so severe that no one has time for training.

Complaints about government financial support are heard, too.

Bankers argue that as generous government agencies have as good as taken over business financing, commercial banks have forgotten how to lend. The Saudi Industrial Development Fund is thought to be too much geared to larger plants. Up to last summer, nearly 97 percent of all loans to the manufacturing sector were of amounts above 2 million riyals, according to official figures.

As the SIDF lends only up to 50 percent of capital, there are few facilities for the small businessman with a good idea but without experience.

The record suggests that those criticisms may be unjust. Over the next five years it will be reasonable to expect, though, that they will be answered in broad changes of government policy. Mansour may point the way to a trend of smaller industries being set up, prompted by the increasingly broadly spread amounts of capital in private hands. The ministry of finance and national economy is studying the regulation of a stock exchange, a development that would give a boost to the small investor's interest in industry.



Water carriers in the streets of Taif.

Education: Quality vs. Numbers

RIYADH (IHT) — Foreign teachers brought in to help in the expansion of the Saudi educational system say that the quality of education has taken second place to the rush for enrollments, and the system still depends on rote learning and intense pressure at examination time every six months.

Furthermore, an academic overhaul of institutions of higher education is expected since it has been reported that some of those who led the December attack on the Grand Mosque in Mecca were dropouts from Islamic studies programs.

But with 15 percent of its \$142-billion budget set aside for schools and universities over the five years from 1975, school building, teacher-training and textbook improvements are all on target, officials say. The number of girls in school last year was 20 percent higher than projections made in the second five-year development plan.

A more cautious attitude is already evident in higher education. In November last year new rectors were appointed at two of the country's three universities, Riyadh, founded in 1957, and King Abdul Aziz in Jidda, established 10 years later. The third is the Islamic University at Medina, founded in 1961. It is thought that the appointments, both of men known for conservative spending policies, herald less heady days for university expansion. Riyadh University has already been told to cut its planned growth from 25,000 more students to 15,000.

In addition to the three academic universities, there are various technical institutions, including the University of Petroleum and Minerals (Petromin) in Dhahran on the Gulf and numerous religious schools. Universities are now almost obliged to take anyone who finishes high school.

Planning Minister Hisham Nazer recently criticized the notion of "free education from the cradle to the grave" as detrimental to the development of vocational training and the need to turn out skilled Saudi laborers.

Battle lines have been drawn. Education is still voluntary, and the figures are impressive. Last year 27,132 boys and men entered all stages of education, almost twice as many as 10 years ago. There are now 1,939 adult literacy schools across the country, and an estimated 50,000 Saudis are pursuing university studies in the United States alone.

Teachers say that society has come to accept the idea of education as the door to a better future. Islam has always emphasized learning, for women as much as for men, and even in rural areas children will be sent to school — although at least one may be kept at home to help on the farm. Students are diligent, and a close family background makes for few disciplinary problems. Adult education at every grade is popular, particularly among women stuck at home and looking for careers in teaching.

It is a traditional system with religious studies taking up a good share of the school day. —T.S.

Western Sports Replace Camel Racing, Falconry

By David Smith

RIYADH (IHT) — In a land where the only game in town used to be camel racing or falconry, where the weather is warm all year round where there is a surplus of government money, heavily subsidized sports are taking over from the traditional desert pastimes of camel racing and falconry.

Western-style facilities — big running pools, squash courts and aerobics studios for instance — are being set up as quickly as schools and hospitals. The government is generous in its endowments to school sports. But there is a hitch — girls not allowed to participate in sports, even to the point of forcing physical education for them in schools.

The main sport in the kingdom is undoubtedly soccer. The Saudi Premier division comprises 10 teams representing the sporting clubs, and interest generated by the success of these clubs is intense. Although competitive soccer has been played in the kingdom for several decades, it is only in the last years that an organized league system and the introduction of foreign players and coaches has heightened the popularity of soccer.

Artificial Turf

The clubs share three main stadiums in Riyadh, Jidda and Dammam which are comparable to those in Europe and South America. The playing surfaces are artificial "Astroturf" with floodlighting and electronic scoreboards, and the stands themselves hold up to 50,000 spectators. Capacity crowds are frequent, and premier league matches generally attract upward of 100,000 fans.

A visitor to the kingdom may be

surprised by seeing green and white or black and yellow streamers in the majority of the taxis until he realizes that these are the colors of the two main Jidda teams.

On Thursday and Friday evenings after an important match, the fans of the victorious team surge through the streets singing, cheering and blowing car horns.

After last year's King's Cup final in which Al-Ahli defeated its Jidda rival Al-Ittihad 4-0, a disconsolate Ittihad supporter was so upset that he divorced his wife, who had made the mistake of letting her husband know that she favored Ahli. (The court decided that supporting the wrong soccer team did not constitute sufficient grounds for divorce, and the action was declared illegal.)

Foreign Influence

A controversy has arisen over the effects of foreign players and coaches on the game. Those who believe that the import of highly paid foreign stars is detrimental to the chances of local players say that a ban should be placed on non-Saudi players. At present each side may have three foreign players on its staff although only two may play in any match.

While arguments will no doubt continue to rage about the benefits of permitting clubs to play foreign stars, no-one can doubt the impact the foreign players have had on generating public interest in the sport. Nor can there be any doubt over the beneficial effect of the highly experienced foreign coaches who have worked in the kingdom.

The main constraint on sports in the kingdom is the climate: intense heat, excessive humidity and little or no greenery.

The concept that moved the world

The discovery of mathematical zero ranks in importance, in human development, with that of the wheel and the lever.

Its impact on Western technology and thought was so great, and its effect so far-reaching, that its full significance has not been appreciated or exploited, even today.

Modern progress

It is unlikely that modern man would so quickly have progressed beyond muscle power, without the introduction of the negative concept into arithmetic, nearly a thousand years ago.

25 centuries ago, the Babylonians were aware of a kind of nothingness, and used it in a positional system of number notation, though not as a number itself. The ancient Greeks also had a concept of the negative, but despite their intelligent outlook, they were never able to interpret it as a number.

Intellectual liberation

The Hindus and Chinese first began to develop the zero, and use it in arithmetical calculations. Zero became a number at last, which helped to make it easier to calculate in the abstract.

As far as Western technology is concerned, the most important development of zero was done under enlightened rulers by Muslim mathematicians. The rules of calculation we now learn at school, go on to perfect at university and beyond, were first formulated by the wise men of Islam.

Mathematician Lancelot Hogben says that "the discovery of mathematical zero liberated man's intellect from the prison bars of the counting frame."

The way to the digital computer was at last opened.

The name used in mediaeval Europe for the new rules of calculation was *algorithms*. This is a westernised rendering of the 13th century Muslim name *Al Khwarismi*, or *Alkarismi* — the scholar and mathematician.

The term *algebra* was coined from *Al Khwarismi's* famous book on calculus, "*Al-jabr wa'l Muqabalah*." Even the word *zero* comes from the Arabic "*al-ṣifr*," from which, the Oxford English Dictionary says, we derive "*cypher*." And certainly *zero* as well.

Working together

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Plans
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Herald Tribune

Published with The New York Times and The Washington Post

Page 19 Wednesday, February 27, 1980

Naphtha Buyers To Report Prices

By Bhushan Bahre

LONDON, Feb. 26 (AP-DJ) — A major European companies' price-reporting agency for naphtha, the basic feedstock for petrochemicals, is to stabilize prices.

en-Aid Plan Confirmed by Japanese

OKYO, Feb. 26 (AP-DJ) — Finance Minister Noboru Takeshita today said his ministry is "psychologically preparing itself" for a package of new defense measures to be up the year.

But Mr. Takeshita said that he would watch developments on the foreign exchange market for a while before giving an indication when the government will adopt the measures.

Nevertheless, his remarks, made at a news conference after a regular cabinet meeting, confirmed that the government is seriously considering ways of bolstering the yen.

The yen has continued to decline recently even though the Bank of Japan raised the official discount rate by 1 percentage point to 7 1/2 percent last week. In early trading today, the dollar momentarily edged 249 yen, the highest level since 1979.

The foreign exchange market is rife with speculation that other set of yen-support steps is forthcoming. The measures reportedly include an increase in the amount of bonds Japanese corporations can issue overseas — designed to bring in more foreign currency.

U.S. Rate Rise

Mr. Takeshita said the yen's drop chiefly due to the continuing rise in U.S. interest rates.

The Finance Ministry today said it will start buying government bonds worth at least 300 billion yen (about \$1.2 billion) later this week in an attempt to improve the sagging market. The latest operation will continue through March 15, may amount to as much as 500 billion yen, it said.

The Bank of Japan also contended it will raise commercial banks' reserve requirement ratio on deposits, including certificates of deposit, by 1/2 point and other points by 1/4 point beginning March 1 in accordance with the late increase in the official discount rate (HHT, Feb. 19).

New Ratios

The new ratio for time deposits is 1 1/2 percent and for other deposits 3 1/2 percent. A spokesman said that, with the tightened reserve requirements, the central bank anticipates it will absorb 500 billion yen excess liquidity from commercial banks.

He said, however, that the reserve requirements on foreign currency assets and free-yen deposits by residents will remain unchanged. This apparently reassured the need to encourage an inflow of foreign currencies, especially dollars, to ease the supply and support the yen.

A separate report, the ministry said, foreign investors bought Japanese stocks worth about \$559 million in January while they sold \$437 million, resulting in net sales of about \$122 million.

Foreign purchases of bonds, excluding short-term government bonds, totaled about \$1,043 billion sales were about \$684 million, a net buying at about \$359 billion.

Company Reports

Revenues, Profits in Millions
In local currencies, unless otherwise indicated

Company	1979	1978
Isuzu Motors		
Revenue	646.49	582.10
Profits	12.81	13.81
Alcoa		
Revenue	12.03	10.67
Profits	2.28	2.4
Warner Lambert		
Revenue	838.5	809.6
Profits	709.0	39.91
Per Share	0.10	0.50
Kellogg		
Revenue	1.85	1.69
Profits	162.60	145.10
Per Share	2.13	1.90
Litton		
Revenue	1.05	1.04
Profits	69.53	36.47
Per Share	1.77	0.92
Loews		
Revenue	2.00	1.98
Profits	120.41	66.06
Per Share	3.06	1.65

News and Notes

Occidental Petroleum says that the embargo of phosphate shipments to the Soviet Union (HHT Feb. 25) will cause curtailment of some of its operations at its Florida phosphate facilities and with some of its specially constructed ships. Ory adds that since December it has been preparing contingency plans for marketing phosphate to other countries and notes that the impact of the curtailment will be determined by the success of the alternate plans.

Phosphate demand is strong worldwide, Ory says, and it hopes that most of the phosphate production planned for export to Russia will be absorbed.

Inco sees a decade of "substantial growth" in the 1980s on the basis of increased utilization of existing production capacity, a more diversified range of products and an early return to satisfactory levels of profitability after the past few difficult years.

Chairman J.E. Carter notes that its primary metals business is off to an especially good start in the first quarter of 1980. Inco also plans capital expenditures of about \$200 million, up from \$129 million last year, to reinvest a greater proportion of its earnings instead of relying on external financing. About a third of its earnings will be paid out in common share dividends.

Last year, Inco paid a quarterly dividend of 10 cents a share and a 10-cent year-end extra representing 32 percent of share earnings.

The Philippine government has signed an agreement with the international division of Reynolds Metals to set up a \$450 million

aluminum industry in that country. Financial details of the joint venture were not disclosed. Aluminum would be produced from bauxite mined within the Philippines at a smelter with an annual capacity of 140,000 metric tons that would be built on the island of Mindanao. The announcement did not give an expected completion date for the project, which is to include finishing facilities that could produce beer cans and auto parts.

Marathon Oil says a report in the London Evening Standard that the company might have discovered a major oilfield in the North Sea is highly speculative. Financial director Rex Cooley told Reuters that testing is still in its early stages and no results are expected for a few weeks.

The newspaper said the company could have found a field comparable to the Forties or Brent, the biggest oilfield in the North Sea.

A Curacao-based investment company has raised its stake in Planning Research to 8.17 percent of the common stock. In a filing with the Securities and Exchange Commission, Quantum Overseas of the Netherlands Antilles said it purchased nearly 317,000 shares of Planning Research's common in the past two months at prices ranging from \$5.50 to \$8.50 a share. The purchases bring its total holdings to 531,700 shares, or 8.1 percent of the company's outstanding shares. The shares were bought as an investment and are not aimed at "acquiring control" of the Washington-based consulting firm, the filing said.

U.S. Government Lowers Debt Compared to GNP

NEW YORK, Feb. 26 (AP-DJ) — U.S. government borrowing occupies a shrinking role in the nation's debt accumulation in the past 25 years, according to a study by Benjamin Friedman, a Harvard economist. However, the rise of private borrowing has far outstripped the nation's growth since World War II.

The study shows that the outstanding volume of all borrowing, governmental plus private, has declined slightly when compared to the economy's overall size. In 1946, overall debt came to 155.9 percent of gross national product. The 1979 estimate was 143.5 percent.

The data also shows that the federal government's share of the total debt has shrunk from 103.5 percent of GNP but last year's rate was only 27.1 percent.

The consumer's debt role has grown explosively. In 1946, household debt — mainly home mortgages and installment loans — amounted to 16 percent of GNP. Last year, it was a record 53.9 percent. Debt outstanding among private businesses, at 29.4 percent of GNP in 1946, reached 52.2 percent last year.

Switching Resources

The other debtor category traced in the study represents state and local governments. In the period studied, such borrowing climbed from 7 percent of GNP to 12.3 percent last year. Since the late 1950s, however, state and local debt actually has dropped slightly as a percentage of GNP.

As the data shows, the stability of overall debt reflects the rising importance of private debt offsetting the shrinking significance of governmental debt. The federal government, of course, borrowed heavily during World War II, while private borrowing was relatively dormant.

The U.S. economy's basic reliance on debt, Mr. Friedman asserts, "does not look excessive" in light of the remarkable stability of overall debt in relation to economic activity. He suggests that the current worry of some analysts about debt reaching "dangerous levels" appears overdrawn, at least as far as the total is concerned.

The switch from governmental to private borrowing since 1945, however, does concern him. Federal debt, of course, is deficit-free, inasmuch as the government can print money to pay its bills. Private borrowers can — and occasionally do — go bankrupt.

The recent levels of overall debt, Mr. Friedman maintains, may well represent a sort of "normal" pattern. The ratio of overall debt to GNP was sharply higher during the Great Depression, when federal debt soared and the economy slumped, and briefly in World War II. But U.S. debt-to-GNP levels remarkably close to those in recent years prevailed as long ago as in the 1920s.

In 1921, for example, overall U.S. debt came to 141.9 percent of GNP.

with the government-to-private debt ratio in line with 1979's. With rare exceptions, Mr. Friedman says, "The economy's reliance on debt, scaled in relation to economic activity, has shown essentially no trend for the past 60 years."

One factor in this, he says, is that private borrowers tend to step up their activity as governmental borrowing lags, and vice versa. He also observes that private borrowing depends to a large degree on the availability of tangible assets than can serve as collateral. It is no coincidence, he says, that such assets in the era since 1945 have grown far faster than GNP.

Looking ahead, Mr. Friedman suspects that the decline in federal debt is unlikely to resume. Sporadic efforts to spur the economy and add to U.S. defenses, he predicts, will cause a continuation of the recent "era of much larger federal budget deficits." The upshot, he reckons, will be that the federal debt in the 1980s will more nearly keep pace with GNP. By the same token, he does not anticipate any renewal of the extra-rapid rise of private borrowing that marked the 1950s and 1960s.

If private borrowing does continue to grow only very slowly in terms of GNP, Mr. Friedman anticipates repercussions elsewhere on the economic front. Corporations, he says, will probably feel compelled to turn increasingly to equity financing if they wish to sustain expansion programs. He warns that the alternative, which he regards as entirely possible, will be low rates of increase in capital investment.

He also sees a further tendency for the federal government, responding in pressures from the private sector, to guarantee business arrangements. "I expect we'll be seeing more and more Chrysler-type loan guarantees," he says.

Prices Up 11% In W. Germany For Latest Year

WIESBADEN, West Germany, Feb. 26 (AP-DJ) — Wholesale prices in West Germany rose 11 percent in January and were up 11 percent from a year earlier, the statistics office reported today.

The index, based on 1976 equaling 100 and not seasonally adjusted, rose to 113.8 in January.

The statistics office said the steepest year-to-year rise was recorded in wholesale prices of fuels and mineral oil products, up 34 percent from January 1979. Prices of light heating oil were up 65 percent on the year, while heavy heating oil rose 62 percent.

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Prices End Mixed on Big Board

Speculative Surge Is Seen in Oil Stocks

NEW YORK, Feb. 26 (Reuters) — Oil stocks surged in speculation about recent discoveries but the rest of the market was weak and New York Stock Exchange prices closed mixed today in active trading.

The Dow Jones industrial average rose 4.44 to 864.25 but declined advances by about three to two as volume rose to about 40 million shares.

Analysts said investors remained cautious in the belief the United States will take new steps to curb inflation and rushed to the oil group whose assets are seen as a strong inflation hedge.

Treasury Secretary William Miller said the administration is very firmly against wage/price controls but refused to extend that opposition to credit controls.

In a meeting with newspaper editors yesterday, President Carter said he was moving "very cautiously" to explore ways of checking inflation. He said rising oil prices had moved inflation to a crisis stage but again rejected mandatory wage/price controls.

In the oil group, volume leader Texaco added 1/2 on turnover of 1.5 million shares. It has been helped by speculation about a Baltimore Canyon well it has just completed drilling and will begin testing in the next few weeks.

Also active Mobil surged 7 1/2. It has been benefiting from speculation about recent discoveries off Newfoundland.

Marathon Oil rose 3 1/2. It said a report published in London it may have made a major oil find in the North Sea is speculative. Bow Valley Industries rose 2 1/2 to 53 on the American Exchange. Bow Valley is linked to the Marathon report.

Companies increasing their quarterly dividends included Allied Telephone to 22 cents a share, Amoskeag to 60, Bank of Nova Scotia to 35, BBDO International to 75, Campbell Taggart to 30, Colorado National Bankshares to 30, Grand Auto to 10, L.E. Myers to 15, Placer Development to 45, United Guaranty 6 and Watkins Johnson to 12.

Salem Corp. declared an extra 20-cent-a-share dividend. Wausau Paper Mills split its stock 2-for-1.

Chrysler Loss May Widen

DETROIT, Feb. 26 (AP-DJ) — Chrysler's management consulting firm believes there is a "significant possibility" that the automaker's loss this year will be as much as \$150-million higher than the \$300-million deficit projected by the company. Chrysler disclosed in documents filed with the Securities and Exchange Commission.

In an SEC filing for as much as \$400 million in debentures, Chrysler would like to sell as part of its financing package to qualify for federal loan guarantees, the company also painted a bleak picture of its immediate cash problems and its prospects for long-term viability.

The filing indicates, among other things, that there is no "assurance" the fulling company will be able to increase its market share and stem its losses to adhere to its recovery strategy.

The registration statement says New York consultant Booz, Allen & Hamilton Inc. thinks Chrysler's loss for this year could reach \$600-

to \$650 million if it does not succeed in improving its profit margins and reducing operating costs to the extent that it has forecast to the government.

This wider loss forecast holds true "even if Chrysler's assumptions as to industry sales volume and Chrysler's market share in the next few years are achieved," Booz Allen thinks. Chrysler late last week forecast this year's loss at \$500 million.

Moreover, the statement says Booz Allen believes the loss could escalate to "significantly more" this year if total industry new-car sales fall below Chrysler's forecast of 4.3 million units and the automaker is not able to capture more than 10 percent of the market as it expects. Chrysler did not comment in the statement.

Citing "difficulties and uncertainties involved in implementing" Chrysler's original operating plan, the statement says the consulting firm, which has helped prepare key elements of that plan, is not certain even a revised set of assumptions

currently under review will be enough to keep full-year losses within forecast levels.

The document reiterates company statements that Chrysler must convince its customers to purchase more optimal equipment and that it must reduce costs of production, warranty and advertising to improve its financial picture.

Funding Needs Uncertain

Chrysler adds in the registration statement that it "can't predict" with "certainty" its future funding needs, or whether it will be able to generate enough of its own financing in the next few months to qualify for \$1.5 billion in federal loan guarantees. Even if it does qualify for government help, the statement says, the financing could be insufficient to meet Chrysler's requirements "if the company's projections of future sales and operating costs do not hold up. The company, however, in the past has characterized those projections as 'conservative.'"

The size of the proposed offering (Continued on Page 20, Col. 5)

Texaco Stock Back in Favor on Wall St.

NEW YORK, Feb. 26 (AP-DJ) — Few stocks were more highly regarded by Wall Street institutions during the 1960s than Texaco's, which traded above \$45.

But its chronic shortage of oil and gas supplies became a major negative after the 1973 Arab oil embargo. Institutions began deserting in droves, and Texaco touched a low of \$15 in the 1970s.

Lately, however, Texaco has begun performing like a high flyer again. From as low as \$27 1/2 in January, it went on a string of five consecutive weekly advances to a 1980 high of \$40 1/2 Feb. 8.

Wall Street sources cite a combination of reasons for the performance: the oil play that has benefited most such stocks; a trickle of optimistic reports on Texaco; the belief that the stock still is cheap compared with the value of its reserves and the stock prices of competitors. And, lately, a spate of rumors involving the Hunt brothers.

Assess Valued

First Albany Corp. analyst William Broderick recently buttressed a November 1979 "buy" recommendation with an updated report calling Texaco "an overlooked energy play." He contends that Texaco's sharp cut in its domestic oil and gas reserve estimates last autumn is hardly a bullish fundamental factor

(HHT, Oct. 28). But "these revisions notwithstanding," one of Mr. Broderick's sources "values (Texaco's) oil and gas reserves at approximately \$1.5 billion, or a total of \$76.40," he says.

Mr. Broderick also cites an accelerated U.S. exploration program (including nearly 70 wildcat wells in 1980, up from 50 in 1979) which he calls "a major effort to reverse declining reserves."

While analysts are not unanimously optimistic about Texaco's promise, certain influential analysts, including Charles Maxwell of Cyrus J. Lawrence Inc. and Barry Good of Morgan Stanley, have been positive for months. Thus, market watchers do not give such opinions much credit for the recent price run-up.

Instead, they cite widespread rumors of an accumulation of Texaco shares by Nelson Bunker Hunt and William Herbert Hunt, the Texas silver and oil investors. Such rumors had at least some influence on Texaco trading last Friday, the day that Gulf Resources & Chemical directors spurned a \$400-million offer from Placid Oil, which is controlled by Hunt family trusts.

Since Placid had said it would not pursue any bid that Gulf Resources did not support, "that

meant \$400 million of capital freed up for the Hunts to play Texaco," said one broker. "I don't know if the Hunts really are buying, or why, but we're high on Texaco's fundamentals and it seemed smart to move fast (last Friday) to try to get ahead of any rush," he added.

According to diverse versions of the Hunt rumors, the brothers are prepared to accumulate up to 15 million shares because they are: excited about prospects for the Louisiana deep-gas play in which Texaco has a significant position; are considering a proxy fight for control of Texaco; or want to profit from a speculative rush into the stock that their own buying would help fuel. There are a few hints of foreign buying in the stock, too.

Neither of the Hunts could be reached for comment. However, Nelson Bunker Hunt said last Wednesday that he was not buying Texaco stock. A Texaco spokesman declined to comment on the rumors.

Yet some Wall Street professionals who have been closely studying recent Texaco trading insist the Hunts are involved. "I'm convinced they are behind it," said one.

Whatever the outcome of the current market, some analysts are convinced better days are ahead for Texaco, whose 1979 earnings more than doubled from the previous year to \$6.48 a share.

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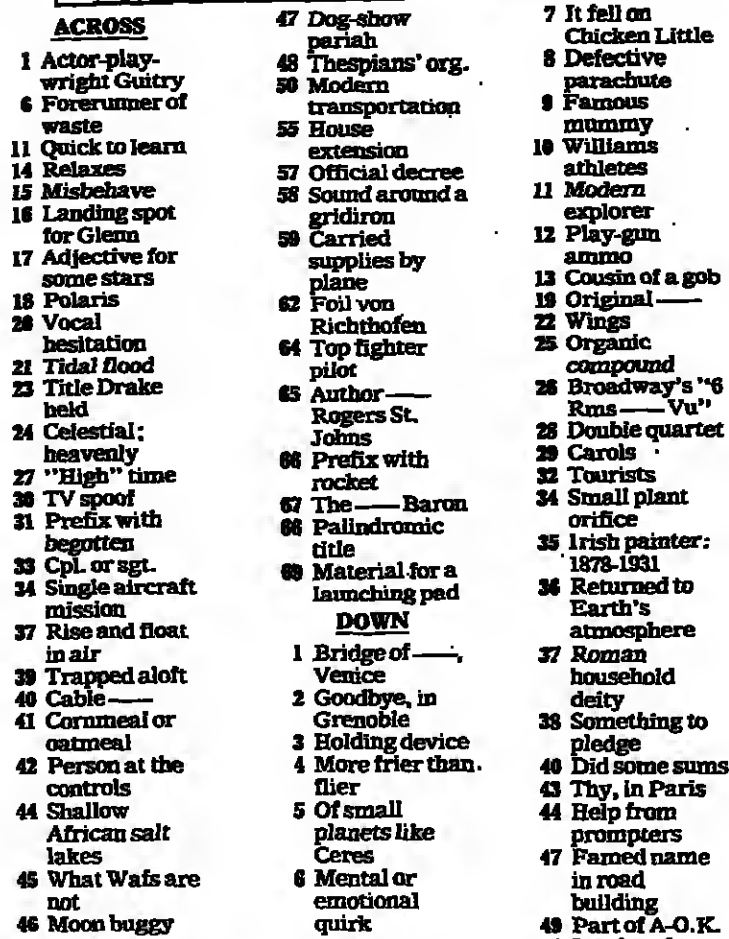
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By Eugene T. Maleska



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ALGARVE	12	54	Overcast	MADRID	8	46	Overcast
AMSTERDAM	10	50	Overcast	MAMI	17	64	Fair
ANKARA	2	36	Fair	MILAN	12	54	Fair
ATHENS	7	45	Cloudy	MONTREAL	2	36	Snow
BEIRUT	12	54	Cloudy	MOSCOW	-3	27	Snow
BELGRADE	-1	30	Overcast	MUNICH	1	34	Fair
BERLIN	-2	28	Overcast	NEW YORK	1	34	Fair
BRUSSELS	3	39	Overcast	NICE	14	57	Fair
BUCHAREST	4	39	Cloudy	OSLO	-4	21	Overcast
BUDAPEST	-2	28	Cloudy	PARIS	4	39	Overcast
CASABLANCA	16	61	Overcast	PARQUE	1	34	Fair
CHICAGO	-1	30	Overcast	ROME	14	57	Fair
COSTA DEL SOL	15	59	Cloudy	SOFIA	5	41	Cloudy
DUBLIN	8	46	Overcast	STOCKHOLM	-3	27	Overcast
EDINBURGH	4	39	Overcast	TEHRAN	2	36	Overcast
FLORENCE	12	54	Fair	TEL AVIV	11	52	Cloudy
FRANKFURT	9	48	Fair	TOKYO	12	54	Fair
GENEVA	5	41	Overcast	TUNIS	12	54	Overcast
HELSINKI	-3	27	Overcast	VIENNA	-2	28	Overcast
HOUSTON	20	68	Fair	WARSAW	-2	28	Cloudy
ISTANBUL	4	39	Cloudy	WASHINGTON	2	36	Cloudy
LAS PALMAS	15	59	Fair	ZURICH	1	34	Overcast
LISBON	13	55	Fair				
LONDON	2	36	Overcast				
LOS ANGELES	27	81	Cloudy				

(Yesterday's readings U.S. and Canada at 1700 GMT; Houston and Los Angeles at 2000 GMT only)

Thunderstorm

Rain

Snow

Wind Direction

Warm Front

Cold Front

Occluded Front

Quasi-Stationary Front

OSLO, Feb. 26 (Reuters) — Norwegians are rallying to save their favorite drink — pilsner beer.

The new "People's Campaign for Pilsner" that has already attracted 130,000 members is growing at the rate of 2,000 a day and outstripping the teetotalers' movement.

The trouble began as quietly when a committee of undersecretaries from various ministries proposed hardening the campaign against alcohol abuse especially among the young.

Their suggestion for a ban on the stronger beers with a 5.5 percent alcohol content caused little stir. But their call for watering down the milder pilsner from 4.7 to 3.5 percent made them about as popular as the family of a hardener's convention.

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I DID WHAT YOU WANTED. I CALLED THE HUMANE SOCIETY AGAIN.

THEY SAID THEIR BUDGET WON'T ALLOW THEM TO GIVE OUT FREE RAINCOATS TO EVERY DOG AND BIRD IN THE COUNTRY...

EVERY TIME THERE'S A GOOD SUGGESTION, SOMEONE BRINGS UP THE BUDGET!

MAUDE, WHAT WOULD YOU DO IF I QUIT MY JOB?

LOOK, SWEETS, 30 YEARS AGO I PROMISED TO STICK WITH YOU, 'COME HELL OR HIGH WATER'.

I QUIT MY JOB.

CALL ME IF THERE'S A FLOOD OR A HEAT WAVE.

DO YOU LOVE ME AS MUCH ON TUESDAY AND WEDNESDAY AS YOU DO ON MONDAY?

OF COURSE

AND ON FRIDAY AND SATURDAY AS MUCH AS THURSDAY?

ABSOLUTELY

WHAT'S WRONG?

YOU NEVER SAID ANYTHING ABOUT SUNDAY!

Jeffery Price 2-27

OH, SORRY, PET!

THAT'S OKAY, SWEETHEART. PUT THE KETTLE ON AND I'LL TELL YOU ABOUT THE SNOOKER TOURNAMENT.

WHEN YOU WIN, NOTHING HURTS.

2-27

Panel 1: A man in a suit asks an astrologer, "I'M A LIBRA AND MY GIRLFRIEND IS A MATTAWITTER". The astrologer, wearing a pointed hat and robe, sits at a table with a sign that says "ASTROLOGICAL ADVICE".

Panel 2: The man asks, "SHE REFUSES TO MARRY ME". The astrologer responds, "WHAT'S A MATTAWITTER?".

Panel 3: The man says, "SHE HATES PUNS". The astrologer replies, "I'M WAIT HERE".

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IT LOOKS AS THOUGH JOEY WILL MAKE IT!

THE DETECTIVE WANTS TO QUESTION HIM! IS IT OKAY?

RUNNING REEL

EXPOSURE

YES! THEY WANT TO KNOW WHETHER JOEY TOOK THE OVERDOSE HIMSELF OR WHETHER IT WAS GIVEN HIM!

JOEY IS RIGHT-HANDED! IF HE GAVE HIMSELF THE OVERDOSE, THE NEEDLE MARK WOULD HAVE BEEN IN THE LEFT ARM. NOT THE RIGHT! BESIDES, THERE WERE NO OTHER NEEDLE MARKS!

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HOW DID THE LEGISLATORS GATHER ENOUGH EVIDENCE TO DUST OFF THE FBI ENTRAPMENT RACKET? I ASKED ONE OF THE CONGRESSMEN INVOLVED.

PIECE OF CRAP, REALLY. I SIMPLY PUT OUT THE MONEY AND GOT A JUDGE. THE JUDGE MOVED INTO A CHARM. AND IN DAYS, I WAS BEING HANDLED \$50,000 IN TRAPPEERS' MONEY!

IN THE MEETS THAT FOLLOWED THE SCOTTS, MY INVESTIGATION WIDENED. TO MY SHOCK, I WAS OFFERED BRIEFS BY AGENTS IN NEW JERSEY, NEW YORK, FLORIDA, EVEN TEXAS!

CONGRESSMAN, DID YOU FIND ANY AGENTS FOR AGENTS?

ONLY ONE. BUT HE WAS GREAT! HE WOULD GIVE ME A DIME!

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

YABBE Remember your heart!

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Illustration: A cartoon showing a man in a suit shouting "We are cancelling our entire order..." while holding a paper. A woman in a polka-dot dress looks surprised. A speech bubble from the man says "Remember your heart!". The man is surrounded by papers and a small explosion. The text at the bottom of the cartoon reads: "WITH A CERTAIN LETTER - ANGER COULD BECOME THIS!".

THE HOT ARCTIC

By John Dyson. Little, Brown. Illustrated. 290 pp. \$13.95.

Reviewed by Anatole Broyard

IN some places in the arctic, frozen dishwater is flown out in barrels in order to avoid upsetting the ecological balance. In Barrow, Alaska, a woman cooks caribou in a microwave oven. In Point Hope, a small Piper airplane brings in a small parcel of engine spares and two men come out to meet it, one in a \$150,000 special vehicle and the other in a \$160,000 truck. In the Canadian Northwest, a DC-3 is chartered to deliver handmade canoes to a neighboring community.

On Herschel Island, the buried dead pop back up out of the frozen ground. The garbage rises in an unhealthy stagnation. Nothing can be hidden from sight in the arctic.

It should not be necessary, says John Dyson, for the arctic was the place where we were going to do everything right. For the first time, we were going to apply all the lessons we have learned about the lessons in civilization to a primitive land in its ecology, its culture, as well as its way of life, would not be destroyed.

rounded by abandoned army trucks and jeeps, bicycles, motor bikes, beach bicycles, bulldozers, graders, three-wheel Humber cars, pick-ups, snow machines, piles of lumber, packing material, insulation, tin cans, punctured boats, blackened whale meat, rotting blubber; bunches of ducks laid at the neck; stumps of walrus tusks and, in the ever-present open drains of sewage in front of each house.

The land of "uniformity, silence and death," as an early traveler described the arctic, is now a place of

In "The Hot Arctic," Dyson shows us just how far from that ideal we still are. But while his picture of the decline and fall of Eskimo

Anatole Broyard is on the staff of
The New York Times.

Best Sellers

The New York Times
This list is based on reports from more than 1,400 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICION		Lead	Weeks on list
Title	Author		
1	PRINCESS DAISY, by Judith Krantz	4	4
2	THE LAST OF THE MOHICANS, by James Fenimore Cooper	4	4
3	THE TALENTED MR. RYLANDER, by Frederick Forsyth	3	4
4	SMILEY'S PEOPLE, by John le Carré	2	10
5	THE LAST OF THE MOHICANS, by James Fenimore Cooper	2	8
6	TRIPLE, by Ken Follet	4	25
7	SOPHIE'S CHOICE, by William Styron	8	36
8	THE LAST OF THE MOHICANS, by James Fenimore Cooper	7	11
9	JAILED, by Kurt Vonnegut	6	23
10	MEMORIES OF ANOTHER WORLD, by Howard Fast	9	15
11	THE ESTABLISHMENT, by Howard Fast	11	20
12	THE EXECUTIONER'S SON, by Norman Mailer	13	18
13	THE DEAD ZONE, by Stephen King	12	25
14	THE THIRD WORLD WAR, by Gen. John Hackathorn and other Top-Ranking NATO Generals and Advisors	10	38
15	MOVIE, by Garrison Keillor	15	5
16	THE LAST OF THE MOHICANS, by James Fenimore Cooper	1	2

NONFICTION

THE BRETHREN, by Bob Woodward and Scott Armstrong.	1	9
THE HERMIA BOOK, by Erna Bonbeck.	2	25
FREE TO CHOSE, by Milton and Grace Friedman.	16	
THE COME OF A NESS, by Norman Cousins.	3	19
THE PRITIKIN PROGRAM, by Leslie Fiedler and Patrick McGrady.	4	40
JAMES HERRIOTT'S YORKSHIRE, by James Herriot.	5	14
THE RIGHT STUFF, by Tom Wolfe.	6	20
DONAHUE, by Paul Donahue.	7	3
THE CALIFORNIA FINANCIALLY INDEPENDENT BY INVESTING IN REAL ESTATE, by Albert J. Isaacs.	9	21
ON A CLEAR DAY YOU CAN SEE GENERAL MOTORS, by R. Buckminster Fuller.	—	—
CRUEL, SHEROES, by Steve Martin.	11	39
FEED YOUR KIDS RIGHT, by John S. Smedley.	13	15
THE WHITE HOUSE YEARS, by Henry Kissinger.	15	4
THE AMERICANS, by Arnold Rosenberg.	14	10
ARNOLD'S BODYSHAPING FOR WOMEN, by Arnold Rosenberg with Douglas Kent Hall.	—	—

BRIDGE

By Alan Truscott

THE play of certain suit combinations involves psychology rather than technique. An expert klutzy who watches the handling of such a combination may well be able to judge the competence of the players concerned.

Consider, for example, the spade suit shown in the diagram, which is not surprisingly chosen as trumps.

If South is a weak player, his first move will be to play the ace or king, and he will lose one trick in the suit. If he is a strong player, he will start by leading the jack from the dummy. If nothing happens, he intends to play high from his hand, but he gives East the opportunity to err if

But now South's overall bore bite (or fruit). Posing the diamond jack on his left, South leads the ace of spades. When this succeeded, he continued diamonds, establishing the king in his hand when West took the ace. West tried underleading the club ace, but the position of that card was also marked by the overall South lead. With this lead, West's heart and spade club bore diamonds or his winning diamond. He lost a trick in each black suit, but the game was safe.

A weak East will play the queen, or betray his possession of that card by hesitating. A strong East will play low nonchalantly, and score a trick eventually.

The two players sitting South and East both passed the test. But South had the last laugh because West made a poor bid. When South has opened one spade, West could choose a two-heart overall, for that is the suit in which he has the best chance of scoring a game. But most tournament players would make a cue-bid of two spades, showing by agreement either hearts plus one

NORTH
 ♠ J8754
 ♥ K62
 ♦ Q8
 ♣ E74

WEST
 ♠ —
 ♥ J7543
 ♦ A7833
 ♣ A98

EAST (?)
 ♠ Q103
 ♥ Q208
 ♦ 842
 ♣ Q875

SOUTH
 ♠ AK862

As it was, the overall of two diamonds furnished a valuable clue to South. In four spades he received a heart lead and won with the ace. He then crossed to the heart king and led the spade jack from dummy, watching for a reaction from East.

There was no reaction. East pro-

OAK
♠ K107
♦ B32

Neither side was vulnerable. The bid-

East	South	West	North
Pass	1♠	2♠	3♠
Pass	4♠	Pass.	Pass.

NORTH
 ♠ J8754
 ♥ K62
 ♦ Q8
 ♣ KJ4

EAST (P)
 ♠ Q103
 ♥ Q109
 ♦ 842
 ♣ Q1075

Neither side was vulnerable. The bidding:

East	South	West	North
Pass	1♠	2♠	3♠
Pass	4♠	Pass	Pass

A Rula of Politics



Baker

Jimmy Carter managed it, of course, in 1976. But then nobody ever quite found out who Jimmy Carter really was that year. As a matter of fact, it's a bit of a mystery this year, too.

Love Is Still Main Theme but There's More Hurtin' and Cheatin' Than There Used to Be

each of the last 15 years as a measure of changing attitudes in the United States.

The "cheating love" category

contrast, the Benjamin Brothers recently asked a question in a highly popular song: "If I said you had a

4. "Somebody Somewhere (Don't know What He's Missing Tonight)," by
Lola Dillon. ©1976, Coal Miners Music
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the publisher.

Who was the most-recorded artist of 1979? Donna Summer? Barry Manilow? Neither. According to the authoritative Schwann catalog in New York, Neville Martinie — conductor of the Minnesota Orchestra — holds that honor, with 29 re-

[illegible]